

Annex

Official Journal

of the

European Communities

No 1-278

English edition

Debates of the European Parliament

1981-1982 Session

Report of Proceedings

from 14 to 18 December 1981

Europe House, Strasbourg

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NOTE TO READER

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

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IN THE CHAIR: MRS VEIL

President

(The sitting was opened at 5 p.m.)

1. Resumption of the session

President. — I declare resumed the session of the European Parliament, which was adjourned on 20 November 1981.

2. Approval of the minutes

President. — The minutes of the sitting of Friday, 20 November 1981 have been distributed. Are there any comments?

I call Mr Johnson.

Mr Johnson. — (FR) Madam President, I want to draw your attention to the fact that the English version of the Resolution on Pollution of the Rhine has not been printed in full.

President. — Mr Johnson, that is correct, but the error has since been noted and the text made complete before being forwarded to the authorities concerned.

I call Mr Provan.

Mr Provan. — Madam President, about this time last year I tabled a motion for a resolution to be referred to the Committee on the Rules of Procedure and Petitions and the Bureau of Parliament drawing attention to the composition of our agenda. In that motion for a resolution I called for those parts of our agenda which have to do with the legislative role of Parliament to be treated with priority and feature prominently on the agenda so that parliamentarians and others would actually know what our role in life was and what we had to concentrate on. In doing this, I was prompted by the belief that in the Community today there are a vast number of people beginning to wonder why we are not paying more attention to certain things — for instance, fisheries — and why we don't actually make our position well known on such matters as fisheries. I would therefore hope that the Bureau will allow us time to discuss these matters so that the people in the Community can understand what our role is.

This is a very serious matter: our role must be properly understood and the reports that we bring forward as part of that role must be seen to be properly debated on the floor of the House.

I trust, therefore, Madam President, that you can do something to make sure that that motion comes before the Bureau and the Committee on the Rules of Procedure and Petitions.

President. — Thank you for drawing my attention to this question. Our procedure is not as yet without its faults and your motion for a resolution, which was tabled under the old Rules of Procedure, should have been dealt with under the procedure set out in Rule 25 of the new Rules of Procedure. We therefore made the necessary rectification at once so as to follow the

President

proper procedure. I might add that your proposals were considered very favourably but when we draw up the agenda — and those who take part in it know that it is no easy matter — we always give priority to institutional questions. However, we are required to strike a balance between the various requests made, the priority given to such and such a problem varying with the different groups and nationalities.

As regards fisheries, I shall shortly be proposing an amendment to the agenda so that a proposal for a directive, for which the Council has requested urgent procedure, may indeed be placed on the agenda of this part-session. That proves that we follow these matters closely.

I call Mr Adam.

Mr Adam. — Madam President, I want to support the point that Mr Provan has made because on the agenda for Thursday there are fifteen items where we consider proposals from the Commission. Now the motion for a resolution that Mr Provan has referred to may have been well received but it certainly hasn't had any effect on the agenda itself. Please can you ensure that this is the last time that the Commission proposals are compressed into such a short space of time?

President. — I must answer your point as it is an extremely important one. In general we devote an entire day, together with the members of the enlarged Bureau to drawing up the agenda. Beforehand I spend a smaller, though nevertheless substantial, amount of time drawing up priorities with the committee chairmen. But matters of current urgency are not within our control. On this occasion, in order to give special attention to institutional matters we decided to limit urgencies to one hour so as to have more time for the reports. However, certain groups requested that we return to the three-hour rule, which indeed may be forced upon us by circumstances. You will now have some idea of the difficulties we face in drawing up the draft agenda. This week, because of the requirement to give priority to the budget and a number of urgent reports on development policy, very little time will be left over, it is true, for the opinions on proposals forwarded by the Commission and we shall certainly not be able to get through all our agenda. This prospect causes me some concern, as I pointed out this morning to the group chairmen. I do not see how in future, without holding an extra session, we shall be able to deliver the opinions we are required to deliver. No item on the agenda could be carried forward, and we also had to include the report of the British presidency, nor could we possibly refuse to hear the President-in-Office of the European Council who will be appearing before our Assembly for the first time! The choices we are obliged to make lead us into such difficult situations as the one we shall be confronted with at the end of the week.

I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Madam President, the amount of time that Parliament spends discussing properly digested committee reports is diminishing year by year. It used to be 75%. It then went down to 45%. In January I understand it will be about 15%, if not less. Could the Members of Parliament and committee members not institute a self-denying ordinance and not produce quite so many own initiative reports, so that we actually deal with those things that are necessarily before the committees, having been put there by the Commission and Parliament?

President. — There are practically no own-initiative reports on the agenda. Furthermore, the Bureau's suggestion to devote only one hour to urgencies — and so leave more time for the opinions we are constitutionally required to deliver — looks as though it will have to be dropped.

(Parliament approved the minutes)

3. Situation in Poland

President. — Dear colleagues, in opening the proceedings of the present part-session I wish to express, on behalf of the entire Parliament, our anxiety and concern at the events now taking place in Poland.

I also feel I speak on behalf of you all in conveying to the Polish people the sympathy of our Parliament in the face of their ordeal.

From this platform may I make an appeal to the Council and Commission to demonstrate our determination to help Poland overcome its economic difficulties through practical initiatives.

On 4 May last our Parliament, recalling the events that occurred in 1956 in Hungary, in 1968 in Czechoslovakia and in 1979 in Afghanistan, issued a solemn warning against any attempt to interfere in Poland's internal affairs. This will of our Parliament must today be emphatically repeated and confirmed.

In the name of the citizens of the ten Community Member States who, since yesterday, have been demonstrating their concern everywhere, we hope that Poland will find, in full independence, the path to freedom ensuring respect for the rights of all citizens and workers.

(Parliament remained standing throughout this statement — Applause)

I call Mr Efremidis on a point of order.

Mr Efremidis. — (GR) Madam President, when discussing this point you said that you were speaking on behalf of the Parliament as a whole. We should like to disclaim all responsibility: what you said does not apply to us. I do not wish to go into details, I should merely like to say that you should be more careful — and at least hold preliminary consultations — before saying that you are speaking on behalf of all of us. What you said does not express our position.

(Protests from certain quarters)

President. — Mr Efremidis, the text of my statement was submitted in advance to the chairmen of all the groups.

(Applause)

Your dissenting view will appear in the Minutes.¹

4. Order of business

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

At its meeting of 17 November 1981 the enlarged Bureau drew up the draft agenda which has been distributed (PE 75.527). At the statutory meeting of political group chairmen this morning, it was agreed that various amendments to this draft agenda would be proposed to you.

(The President read out the amendments proposed)²

I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Madam President, the Cohen report on the North-South Dialogue, which seems to be bracketed with the statement by the European Council, has, I believe, exactly the same wording as something we discussed on 18 November. Is it sensible to discuss the same thing twice?

President. — Since this request has been entered on the agenda, we must discuss it.

I call Mr Forth.

Mr Forth. — Madam President, I thought I heard you say that the issue of Poland would be first on the

agenda for urgent debate on Thursday night. Since the deadline for submitting urgent resolutions has not yet been reached, I find it difficult to see how you can at this stage say what will be first in priority. Others things may arise which could conceivably deserve greater priority. I hope therefore that you and others who will determine priority will maintain an open mind at least until the deadline for submission of urgent motions for resolutions has passed.

President. — The agenda is never definitive since it is Parliament itself that decides on it after we have drawn up a list. But it seemed to me important that we should know as early as today that this item — in the absence of some exceptionally serious event between now and tomorrow, which would force us to amend the draft agenda — would be appearing at the top of the urgencies, in accordance with the wishes of the group chairmen. A number of colleagues who might otherwise have planned to leave immediately after the budgetary vote, will thus be able to find the time to swell the ranks of Members attending this important debate.

I call Mr Bangemann.

Mr Bangemann. — (DE) Madam President, I should like you to draw the attention of the House to the fact that a vote must be taken during voting time on Wednesday afternoon on the number and composition of the parliamentary committees.

President. — I was coming to that in a few moments.

I call Mr Gondikas.

Mr Gondikas. — (GR) Madam President, I should like to ask for an explanation concerning item No 298 — the first report scheduled for today, Monday. It is not sufficiently clear whether it is to be debated or postponed.

I have a further query: it appears from the minutes submitted to you and to the chairmen of the political groups that Mr Dankert's report is to be debated immediately after Mr Nord's report (No 310); however, I believe we have already debated Mr Dankert's report in plenary sitting.

I should like to ask you to elucidate both these points for me.

President. — The report on the carriage of goods by road has indeed been withdrawn, not having been adopted in committee.

As to the report by Mr Dankert on the Greek contribution, which is a new report, it was only natural that

¹ *Membership of Parliament — Transfers of appropriations — Petitions — Authorization of reports — Referral to committee — Referral to committee (Rule 49(6)) — Motions for resolutions entered in the register pursuant to Rule 49 — Documents received — Texts of treaties forwarded by the Council. see Minutes.*

² See Minutes.

President

it should be entered as the last item on Tuesday, bracketed with the other budgetary items.

I call Mr Seefeld.

Mr Seefeld. — *(DE)* Madam President, for the sake of clarity I wish to confirm to the House that your observation is perfectly correct. The Committee on Transport has declined to deliver an opinion on the Commission's proposal for a regulation amending a regulation on goods transport between the Member States. This decision was taken because the Committee is unwilling to tolerate any longer these short time-limits imposed by the Commission and Council. We have taken this action in protest against the lack of an overall concept for a European transport policy and we hope that our colleagues in the House will give us their support. For the time being therefore we are not prepared to deliver an opinion on the Commission's proposal.

President. — I call Mr Fergusson.

Mr Fergusson. — Madam President, to revert to the point which Mrs Kellet-Bowman made a little while ago, of course this Parliament sets new precedents every time it meets, but this one, I feel, is perfectly extraordinary. Have we really decided, knowing how short our time is, to debate once again a matter which we debated only a month ago, at that time as an oral question with debate? Is it suggested that the answer then was unsatisfactory? Is the new answer going to be different from the old one? How can we possibly debate something twice over within two months, when time is so short? I think that we need a much better explanation than the fact that it has been tabled.

President. — Once the committee responsible has adopted a report, the enlarged Bureau is required to place it on the agenda. If some of our colleagues sometimes feel that the enlarged Bureau is exceeding its powers, they would be confirmed in their belief if it did not place on the agenda a report properly adopted by a committee.

I call Mr Cohen.

Mr Cohen. — *(NL)* Madam President, I am delighted that my report on the 40 million units of account to cover food aid deliveries to the poorest countries has been added to the agenda. I imagine that the Council is also very pleased because this item has been added at its own request. I wanted simply to draw your attention to the fact that we need not hold a further debate on this document since it was already discussed at our last part-session. It only remains for a vote to be taken on the report. I wanted to make this point to enable you to allow a little more time for the consideration of

other items on the agenda. I believe that a vote on this particular report will now be sufficient.

There is however a second point, Madam President, which has caused a little confusion to me at least. When you read the agenda I understood you to say that an oral question with debate would be added on Wednesday but I think you quoted the wrong document number. Two documents have been distributed: one relates to the oral question by myself, Mr Enright, Mrs Focke and a number of other Members which was already debated at the last part-session. Then there is a second oral question with debate by Mr Poniatoski, Mr Bersani, myself and Members of the Committee on Development and Cooperation which should in fact be added to the agenda. We wanted this matter to be taken on Wednesday in conjunction with the other reports relating to development policy.

President. — Two items have been added to the agenda: first, your report on special aid in favour of the least advanced countries, on which the Council has requested urgent procedure and which has already been the subject of a debate, but on which no vote has taken place; if it is to be able to take place the report must be re-entered on the agenda. Furthermore the Committee on Development and Cooperation has requested the inclusion in the debate of an oral question to the Commission on the outcome of the Cancun Conference. It was originally planned to include this question in the debate on the Clément report. Since it is foreign to the issues raised in the report, it is added to the agenda, no change being made to the allocation of speaking time. Lastly, at the request of the Socialist Group an oral question by yourself on North-South relations in the matter of political cooperation has been added to the debate on political cooperation. If you withdrew the question, matters would obviously be simplified. Is this what you want?

Mr Cohen. — *(NL)* Yes, I wanted to propose the withdrawal of this oral question, Madam President, for the simple reason that we have a misunderstanding here. This matter was already debated at our last part-session.

President. — There must indeed be some mistake since we received an express request in this connection.

Mr Fergusson, would you be satisfied with withdrawal?

I call Mr Fergusson.

Mr Fergusson. — If it has been withdrawn, that is fine. We may have a vote if you like, but we have had the discussion and we have had the answer. If that is clear, then I am happy, Madam President.

President. — We now come to motions for resolutions concerning parliamentary committees.

I have received from Mr Prag and others a motion for a resolution to have a debate on the committees inserted on Wednesday morning at the beginning of the sitting. In addition the chairmen of the political groups are considering tabling a motion for a resolution on the same question, that is to say on the number of parliamentary committees. It would therefore be a good idea to take these two motions for resolutions jointly. But since this means amending the agenda, I must put it to the vote, it being understood that for the moment we can only vote on the proposal by Mr Prag, who would like this item to be taken on Wednesday morning.

I call Mr Bangemann.

Mr Bangemann. — (DE) I think Mr Prag will agree to the vote being taken on Wednesday afternoon with the normal votes; I know that he attaches a great deal of importance to this decision being taken by the largest possible number of Members of the House. I therefore imagine that he will agree to the vote being taken on Wednesday afternoon with the other reports on which the debate has been completed by then.

President. — Mr Prag, do you agree to the vote being taken on Wednesday afternoon with the other votes?

Mr Prag. — Yes, Madam President, I am in agreement. I think this matter is of very great importance and I am glad that it will be dealt with at a time when there will be a good attendance in this House.

President. — I call Mr Arndt.

Mr Arndt. — (DE) Madam President, I should like you to note that I shall not be prepared to vote on a document which has not been submitted to Members of the House 24 hours in advance in translation. I would ask you to note that in connection with this particular item.

President. — Certainly we shall apply the Rules of Procedure, Mr Arndt.

(Parliament decided to add to the other votes on Wednesday the vote on the Prag motion for a resolution and any other motions that might be tabled on the same subject)

I have received from 11 Members a request to amend the agenda pursuant to Rule 56 (1) of the Rules of Procedure to the effect that the first item on today's agenda should be a debate on the situation in Poland

and that each political group and the non-attached Members should be allowed ten minutes' speaking time.

I call Mr Pannella.

Mr Pannella. — (FR) Madam President, ladies and gentlemen, I believe that extremely grave events are taking place in Poland. We are afraid that a point of no return may be reached in the next few days.

I think that we would be doing ourselves an injustice if we failed to recognize right now that something extremely serious has happened and is liable to go on happening in the hours to come. I think that we should answer the hopes of those men and women who are already victims and may suffer even more severely. Could we not then find 70 or perhaps even 35 minutes to say something more than the few sentences which you spoke just now in your capacity as President? I hope you will recognize the fact that at the meeting of political group chairmen I did not agree with the principle adopted and did not agree fully either with the content of the decision.

Having said that, I believe that a spectre is haunting Europe and it is not just the spectre which you yourself quite rightly evoked. It is not merely a spectre of invasion but that of the quisling, the risk that men in positions of power, taking as their pretext a foreign threat, will themselves become alienated from democracy and alienated from the freedom of their peoples.

Madam President, I think that if we want to help the victims today and make sure that there are no more victims tomorrow, we should grasp this opportunity to state to the peoples of the Community that our Community Europe cannot under any circumstances envisage helping a regime which threatens freedoms or restricts freedoms even without an invasion from abroad. I think we should convey this message as a matter of urgency to Walesa and to the workers and women of Poland. Otherwise, ladies and gentlemen, we shall be making out a blank cheque to this government which is already taking violent action without any threat of external intervention.

Madam President, I therefore hope that this Parliament will shoulder its responsibilities and hold a debate on this matter today. The situation will be different on Wednesday and Thursday. Sufficient unto each day the problems of that day, Madam President.

President. — I call Mr Prag.

Mr Prag. — Madam President, I wish to speak on a point of information. I agreed that we should vote on my motion on Wednesday afternoon. Can I take it that there will be a debate, as requested in the terms of

Prag

my motion, on that subject at 9 o'clock on Wednesday? Was that the decision actually taken?

President. — I call Mr Bangemann.

Mr Bangemann. — (*DE*) Madam President, since this is a procedural matter, we can arrange our discussions in such a way as to allow each Member to make a brief statement on the item before it is put to the vote. That will not take a great deal of time, otherwise we should be involved in an excessively long debate. It is a procedural point and each Member can speak on it pursuant to the terms of the Rules of Procedure for one minute or 90 seconds.

President. — In my opinion it should go onto the agenda. The groups are free to devote some of their speaking time to this question.

I call Mr Forth.

Mr Forth. — Yes, this is the point, Madam President. The Prag resolution specifically requests a debate at 9 a.m. on Wednesday morning. The vote may then follow at 3 p.m. The House has passed that resolution, and therefore there must and shall be a debate at 9 a.m. Each group will allocate the appropriate time to it. The House, Mr Bangemann, has passed the resolution. Ask the President!

President. — We cannot object to this debate, which will thus be held in the morning, the vote remaining scheduled for the afternoon. That is the best solution even if it is a pity that procedural debates should eat into the already insufficient time set aside for considering the reports!

I call Mr Bangemann.

Mr Bangemann. — (*DE*) Madam President, I agree entirely to the debate being held. It is perfectly in order for that to be done. I simply wish to correct one misunderstanding — and you can check this easily in the minutes; I have followed them because I am interested in this point: Mr Prag's resolution has not yet been adopted. We have simply voted on the procedure and decided to discuss it as a matter of urgency. But the content has not yet been adopted although Mr Forth clearly does not know this because he has just said the opposite. I wanted to make this perfectly clear.

President. — I call Mr Galland.

Mr Galland. — (*FR*) Madam President, as far as I am concerned, and I think as far as many of my

colleagues are concerned, I want to make it quite clear that when you put the matter to the vote just now I was in favour of Mr Prag's motion — and possibly also another motion by the group chairmen — being put to the vote on Wednesday afternoon. My intention was not for a debate to be held. I fully understand Mr Prag's request but in that case a further vote should be taken to give us an opportunity to state democratically whether we want a debate to be held in addition to a straightforward vote on the text.

President. — Mr Galland, I thought, it is true, that there was simply going to be a vote. But since Mr Prag is asking for a debate, it seems logical that this be scheduled for the morning and the vote for the afternoon.

President. — I call Mr Pannella.

Mr Pannella. — (*FR*) I thought I had understood that when we voted on the Prag resolution we had concluded that item and passed on to the next point which was my own request for a change in the agenda. Madam President, I know that your task is difficult because we are not particularly disciplined.

(*Laughter*)

but could I ask you to put to the vote right now the question as to whether we wish to hold a debate on Poland and give our support to the Poles?

President. — Mr Pannella, since Mr Prag raised his hand just after you made your request, I thought he wanted to state his position on the subject and I could not interrupt him. We then found ourselves back to the committees question. But we now return to your request for an immediate debate on the situation in Poland.

I call Mr Glinne.

Mr Glinne. — (*FR*) We have been following events in Poland for some days now, from hour to hour, with anxiety and deep sympathy for the Polish people. We have been following these events for a very long time as you can see from the resolutions which have already been adopted by the European Parliament. But on Wednesday of this week with the statement by the European Council following the meeting of that Council in London and on Thursday afternoon, with the joint debate on the statements by the European Council and the Council of the Community on Political Cooperation, we shall have an opportunity to deal with the Polish question in depth and with the necessary preparation. I think therefore that Mr Pannella is insisting on his own proposal to attract publicity rather than from a desire to help.

(Applause in various parts of the House).

(Parliament rejected the request for a debate on the situation in Poland to be held that day).

5. Speaking Time

(The President read out the proposed allocation of Speaking Time)¹

President. — I call Mr Adam.

Mr Adam. — Speaking time allocated on Tuesday, Madam President — the amount that is allocated to the draftsmen in the budget debate, of 20 minutes in total, I think is really quite insufficient. We have got to a stage where the draftsmen from the various committees now have very difficult choices to make and priorities to indicate to the Parliament and to try and squeeze all that into 20 minutes speaking time in total, I think, is really inadequate. I would suggest that that item should be made 40 minutes and 20 minutes should be taken from the other time that is allocated in proportion.

President. — We have followed the usual rule which, it seems to me, should not be amended, unless it be to limit still further group speaking time, which would seem to be very difficult.

(Parliament adopted the proposed allocation)^{4, 2}

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

President. — The next item is the communication from the Commission on action taken on the opinions and resolutions of Parliament.³

Mr de Ferranti. — Madam President, in addition to the short document we also have this much longer report which is extremely useful and it does not take much research into these reports to see that the action that is required, or the action that is being taken, on the various directives that relate to freeing the internal market are held up by the Council in no less than 80 cases. To repeat, there are nearly 80 directives now held up for action in the Council and Mr Narjes informed us last month that the cost of this delay must be in the order of five billion pounds.

Could I now ask the Commission whether in view of the discussions that must have taken place in London and are taking place in the Council today, the Commission is going to press for a separate answer to these questions relating to the internal market, or will we have to wait perhaps the many months that it may take for a solution to the problems of milk and a solution to the problems of the budget? Can we have some assurance that the Commission is doing its very best to get a decision on these vital questions that relate to the internal market, a real issue that is in front of us all, where we have responsibilities and where the present lack of progress is making a nonsense of all the institutions of the Community, including our own?

Mr Narjes, Member of the Commission. — *(DE)* Madam President, on behalf of the Commission I can give the honourable Member any assurance which he wishes to have. We share his regret at the delay in taking these urgently necessary decisions. The President of the Commission will be attempting at the meetings of the Foreign Ministers today and tomorrow to obtain the separation of the first set of issues or 'Volet I' as it is known, from the two others. Whether or not he succeeds in this will depend on the attitude of the other Member States.

Mr Patterson. — Madam President, my question also refers to the longer document, and specifically to page 62 of it. In June we passed a resolution, of which I was rapporteur, on Petition No 41/79 concerning the incompatibility of French artificial-insemination monopoly with the Treaty of Rome. We understood then that the Commission was taking legal action against the French Government under Article 169 and this was instituted on 25 September 1980. Now since then, I understand, proceedings in a French court have led this matter to be referred to the Court of Justice in Luxembourg. My question is, what is the current state of the Commission's action against the French Government, of which we have heard nothing since September 1980, for the reasons which are stated on page 62 of the long document, namely that they felt the correspondence was confidential and could not be released to our Committee on the Rules of Procedure and Petitions?

Mr Andriessen, Member of the Commission. — *(NL)* Madam President, in answer to that question I am able to inform you that the Commission has taken a decision to deliver a reasoned opinion under the procedure of Article 169. That opinion will be published in the near future but I do not expect it to be published before the end of this year.

Mr Patterson. — That is very interesting, but it is not the answer to my question. My question is, what is the

¹ See Minutes.

² *Tabling of amendments:* see minutes.

³ See Annex.

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state of the Commission's action given that the case is coming up in the Court of Justice on January 4?

Mr Andriessen, Member of the Commission. — (NL) It is clear, Madam President, that when these matters are brought before the Court on 4 January, the Commission will be participating by making its own position known.

Mr Gendebien. — (FR) Parliament has already adopted a moderate and constructive resolution on the problem of nuclear power stations.

However, this problem remains topical since the French Government has recently taken a decision to continue its project to build a power station in Chooz in the immediate vicinity of the Franco-Belgian frontier. On numerous occasions a number of Belgian, in particular Walloon, Members have put written questions to ascertain the action taken by the Commission on this resolution. This problem remains topical and urgent and we are surprised at the Commission's failure to act.

Madam President, I therefore hope that the Commission will inform us of its precise intentions in this matter and of the timetable which it proposes to follow with a view to reaching a decision at the earliest opportunity.

Mr Narjes, Member of the Commission. — (DE) Madam President, after the French Government's announcement of its intention to review all nuclear power station construction programmes, the Commission preferred to wait for developments in France. It learned a few days ago from reports in the press that the power station to which the honourable Member referred is now in fact to be built.

It will therefore intensify its previous efforts to bring about the adoption in the Council of Ministers of a Community regulation for trans-frontier information and notification. The Commission is however not yet able to give a more hopeful reply to the honourable Member than a few months ago since the draft directive has already encountered very real difficulties.

Sir James Scott-Hopkins. — In relation to the horticultural area of the disputes which exist between Member States, will the Commission make a further statement on developments in this particular situation with regard to the Netherlands Government and the energy subsidies which are putting other countries at a disadvantage in that particular horticultural field.

Mr Andriessen, Member of the Commission. — (NL) Madam President, if I have understood the honourable Member correctly his question relates to

the problem of the use of natural gas for horticultural purposes in the Netherlands. The Commission has very recently informed the Netherlands Government that the latter must state before the end of this year whether prices for horticulture are to be aligned with industrial prices as from 1 October 1982. The Netherlands Government has now answered the Commission. Its answer is being studied at the moment and I hope that a decision will be taken this week. As matters stand at present, the Dutch Government's reply does not appear satisfactory and a decision will therefore have to be taken to initiate the appropriate procedure. That is how things stand at present but I cannot prejudge the Commission's decision because it has not yet been taken; in all probability it will be taken this week.

Mr Beazley. — Can I ask for further clarification on that point and why it has taken the Commission so long to put a document in the hands of the Dutch Government — as late as 11.30 on Wednesday of last week the responsible members of the Dutch Government advised me that they had received no formal communication. When was the document in fact delivered?

IN THE CHAIR: MR DE FERRANTI

Vice-President

Mr Andriessen, Member of the Commission. — (NL) I hope, Mr President, you will realize that I cannot have all the dates and times relevant to this matter readily to hand. However, I can say that the Commission has followed developments in this matter with the utmost attention in recent months and has acted with due speed. But I cannot discuss actual hours at which particular events took place since I do not have the information readily to hand. I hope Parliament will bear with me in this.

Mr Welsh. — Just so that we can be absolutely clear about what Mr Andriessen is telling us, is it true that the Commission has received an unsatisfactory reply from the Dutch Government?

Mr Andriessen, Member of the Commission. — (NL) As I just told you, Mr President, the Dutch Government's reply appears to be unsatisfactory and, that being so, the Commission will have to take certain action. But the Commission has not yet taken a formal decision and I cannot therefore prejudge the issue at this stage.

7. Competition policy

President. — The next item on the agenda is the report (Doc. 1-689/81) by Mr Beazley, on behalf of the Committee on Economic and Monetary Affairs, on the

Tenth Report of the Commission on Competition Policy (Doc. 1-195/81).

I call the rapporteur.

Mr Beazley, rapporteur. — Mr President, I am very pleased to be able to present to this House a report which was unanimously supported by the Committee on Economic and Monetary Affairs. I say this because my report has taken a very positive view of competition and the part it should play in the creation of a real common market. It has spoken clearly and definitely about the way the Commission has handled its responsibilities, congratulating it where appropriate and chiding it where necessary. In the final analysis, however, it sees the Commission as an ally in the achievement of a European common market.

This market must be a strong and flexible one, strong and flexible enough to create the wealth and the employment necessary to support the high aims and aspirations of the Community. It must take proper account of the diverse and sometimes conflicting needs of industry, trade, commerce, the financial institutions, services, transport and, lastly and by no means least, the needs of customers and consumers.

My report also speaks to the national Member States. Here its main message is, I am afraid, one of reprimand and bitter disappointment. This House, I know, longs to see the governments of the Member States acting jointly as an enthusiastic ally and determined partner in the creation of a strong economic as well as a strong political Community. This House is so often disappointed by the intransigence of Member States' governments, their lack of solidarity and common interests, their selfishness and short-term views. It must urge the European Council, the Council of Ministers and their individual functional Councils to seize opportunities which a European Community, and a common market in particular, hold out to them.

I do not, Mr President, underrate the difficulties which they face, but they have allowed themselves to be increasingly driven back onto nationalist rather than Community thinking to resolve their problems. This House must regret that Member State governments have on too many occasions thwarted the competition policy of the Treaty which they have signed. In some cases they have chosen to ignore its precepts, in others to employ gargantuan delays to obstruct the Commission in its task of acting on behalf of the Community. This lack of respect all too often

brings the Community into disrepute in the eyes of the people of Europe.

Now, Mr President, my report has attempted to do two things: firstly, to handle the issues raised by the Tenth Competition Report and secondly, to review the needs of the Community in regard to competition policy. There is clearly insufficient time to deal in my speech with all the intricate subject covered in the Tenth Report, but my resolution and the explanatory statement do, I trust, deal with them adequately. I will not strain your patience, Mr President, nor that of the House by taking these complex and intricate details individually. Before passing them by, however, I must impress upon this House how important these complex details are.

The Commission's report indicates the way it is interpreting the Community competition policy. This is of supreme importance to those sections of industry, commerce and finance whose interests are affected by the Commission's interpretation of particular issues concerning them and its understanding of other factors in the development of the competition policy. Furthermore, there must always be a precise balance between the elaboration of a Community policy and its interpretation in detailed cases. As one of my colleagues recently said in this House, the devil is in the detail. The competition policy, which I believe is vital to the life of the Community, cannot exist as a purely academic concept. Whilst necessarily granting to the Directorate responsible for competition policy a certain independence in line with its special authority, I believe that it was nevertheless necessary to recognize the fact that competition policy cannot exist in a vacuum. It must relate to the state of development of the Community's policies in particular, but also to the overall objectives of the Community in general.

The Community was born with a rich heritage, and it was natural for it to take the view it did on competition in the internal market, but its long history of being an economy in surplus has been changed by the energy crisis into that of a deficit economy. As an erstwhile surplus economy and the world's largest international trader to boot, the Community not unnaturally decided to provide itself with one of the lowest tariff protections in the world in the belief that it would persuade others to maintain open markets for our exports. In present conditions the relatively high tariff and non-tariff barriers of the much stronger economies of the United States and Japan make a strange contrast to those of the European Community.

We, of course, could have chosen otherwise. We could have opted for a strongly protected dirigiste Community policy for industry as we did for agriculture and with the crisis cartels of our coal and steel industries. However, strong competition in both the internal common market and the external world market is required if our industry and services are to

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be powerful enough to create the level of wealth necessary to meet the Community's needs.

For private industry to continue at all in the European market it must be world competitive and, furthermore, the European Community common market is a world market, open to all traders and investors and to all the cold economic winds that blow.

The Commission, and the competition directorate in particular, must recognize the world competitive characteristic of the European Community when interpreting their various policies — merger and concentration policy in particular. We must not deny ourselves the right and the duty within the Community to build up profitable industrial and commercial operations which are of the same size and power as those of our competitors in the USA and Japan. These enterprises must be able to exist in the competitive environment both within and outside the common market. Many such enterprises are, however, at present too fragmented by being the historical vestige of national and not international economies. We must, therefore, like the USA and Japan, over a period of time, change our structures to make stronger and better organized competition.

Now it must be understood that, important as is the European Community to all of us, those international firms that operate in all the main Community markets also operate worldwide. The Community market must be seen as the home market of such European-based international companies. However, it must be realized that Europe is but one part — however important — of such firms' world markets. Genuine competition must rule in this home market, but these firms must not be unfairly discriminated against within the common market as though they had protection in their home market, for clearly they do not.

In fact, in circumstances where the very existence of certain necessary European industries could be threatened, it might be desirable to permit, on a European rather than on a national scale and under suitable safeguards — under, for example, the Commission's supervision — some temporary form of consultation and cooperation to assist restructuring and to avoid the loss of skills, capital and employment in the Community.

Mr President, I regret that time does not permit me to make the necessary comments on the various sections of my report, but I believe that these are quite clear and self-explanatory.

I would, however, like to make a comment on just two or three items.

Firstly, I would like to see a single common market opened up for European financial institutions, including insurance, on the lines of the proven models of the best Member States' experience.

Secondly, I would like to press for agreement that the Parliament's opinion be sought in regard to Regulation No 67/67 on exclusive dealing and selective distribution agreements and in the case of patents and licences.

The whole area of exclusive dealing and supply and distribution is extremely tricky, just as in the question of parallel imports. In this latter respect my report recommends further examination in order that a balance may be found between the breaking down of restrictions to enable the internal market to be opened up as fully as possible, at the same time as providing safeguards for capital and labour investments against speculative importers.

Thirdly, I would like to draw attention to the relationship between Community competition policy and national competences. I do not wish to speak individually to all the points in my sections 20 to 29. However, it is to be regretted that Member States' governments continue to introduce forms of local and regional protectionism into what they are Treaty-bound to create as a common market. They must be aware, if not more so than anybody else, of the damage which this does to their own wider and longer-term interests.

My committee has submitted a short amendment to illustrate the point. This concerns the differential pricing of Dutch gas supplies to horticulture as compared to Dutch gas prices to industry whose destructive effect in other Northern European States is immediately to be seen in all our constituencies.

This is no isolated case — all Member States have found ways of providing protection, often for debilitated industries, sometimes in order to keep powerful ones still strong.

I will speak finally of one item of the Commission's powers and procedures and I refer only to the recommendations made in section 35 of the motion for a resolution.

The first recommendation is for the establishment of an intermediate tribunal to review questions of fact, leaving the Court of Justice as the final court of appeal dealing essentially with points of law.

The second is for the appointment of an independent person or persons from within the Commission, but separate from DG IV, or else appointed by the Court, who would participate in the investigative process and handle certain procedural aspects.

Finally, to examine ways of expediting procedures for granting exemptions whereby applications for granting exemptions should be considered as granted within a fixed period of, say, 90 days unless the Commission had meanwhile raised serious doubt as to the applicability of Article 85 (3).

President. — I call the Socialist Group.

Mr Walter. — (DE) Mr President, ladies and gentlemen, the Socialist Group agrees in substance with Mr Beazley's report because it contains important recommendations on competition policy which have often been put forward by our Group in Parliament. At the same time I have some doubts about the point of these annual debates accompanied by annual demands. This is the tenth report by the Commission on competition policy and the tenth opinion by Parliament; a comparison of these reports shows that the opinion of the European Parliament repeats the same demands from year to year.

We conclude from this that the prospects for the attainment of the Parliament's wishes are obviously not improved by constant repetition. The Council and Commission allow Parliament to turn its prayer-wheel over competition policy but substantial amendments of the kind which Parliament hopes to see have not been made.

This criticism is directed at the Council and also at the Commission. It is directed at the Commission firstly because — as is stated in the Beazley report — we do not like the way in which the Commission has dealt in the past with important suggestions by the European Parliament. When we call for greater involvement of employers, trade-unions and consumer associations in the procedures of competition policy we expect to see some political reaction to our request. And if the European Parliament has been calling for years, if I am not mistaken since 1977, for a regulation on transfer prices within groups of companies, it should not take all these years for resolute political action by the Commission.

Our criticism is also aimed at the Council which is a kind of secret kitchen cabinet and largely escapes any influence by the European Parliament. If the harmonization of taxation policy has anything to do with the creation of identical conditions of competition on the European market, we are bound to enquire why more than 30 directives and regulations on tax harmonization have been blocked by the Council for years. If industrial concentration and dominant market positions in the European Community have anything to do with the creation of identical conditions of competition, why has the Council taken no action since 1974 on the proposals relating to preventive supervision of mergers? And if the Member States of the EEC react with protectionism and national subsidies to the international economic crisis and thus contribute to the development of unequal conditions of competition, where is the readiness of the Council to respond with a common European structural policy for the steel and textile industries, for shipbuilding and other important branches of the Community economy.

A word of criticism must also be directed at the European Parliament and its Members in this matter. We have been passing resolutions for years by large majorities on fine principles of competition policy. But what is the reaction, for example, of my Italian colleagues in this House when the Italian Government manifestly pursues national protectionism in respect of electronic appliances and motor vehicles thus leading to distortion of competition. Where are my Dutch colleagues when the Dutch Government quite clearly contributes to the distortion of competition in horticulture under glass? Do we then hear critical comments from our colleagues, Mr Berkhouwer? This seems to me the decisive point. What I have said about Italy and The Netherlands applies to almost all Member States and Members of Parliament from all countries of the European Community. I believe that our work on competition policy can only be successful if we do not adopt empty principles but are willing to measure the policy of our own country by those principles.

I do not intend to repeat anything contained in Mr Beazley's report which you can all easily read. I just want to say that in the matter of competition policy the Socialist Group attaches particular importance to three areas.

Firstly, we must counteract the control over Community markets achieved in particular by trans-frontier concentrations of companies. We need effective preventive supervision of such concentrations and also authority to dismantle existing monopolies. We need a strong independent European cartel authority — much stronger than in the past. We need a policy towards international undertakings which are today able to evade national tax and economic policies through their transfrontier economic activities. Finally, we need to secure the right of workers to be informed and participate in international undertakings. Here I would like to address an appeal to my colleagues in the Liberal, Conservative and Christian Democratic Groups: when we move beyond matters of principle to discuss practical issues in a few months' time in connection with our debates on the directive concerning the supply of information to employees and the fifth directive, you will have an opportunity to prove that you are serious in your cause for control over international undertakings in the EEC.

Secondly, we must take more resolute action than in the past at European level to counteract the tendency of the Member States to react to the economic crisis with an increasing number of trade-policy manoeuvres at the frontiers, increasing subsidies to national industries, increasing protectionism and increasing limitations on external trade. Ladies and gentlemen, economic policy based on the idea of each man for himself is economic nonsense and self-defeating in the long term; it also endangers the political cohesion of the European Community.

Walter

My third and last point is this: in our discussion on the proposals arising from the mandate of 30 May we must make progress towards the reform of those policy areas in the European Community where EEC policy itself contributes to the distortion of competition within the common market. Let me give one example: per capita agricultural subsidies from the European budget to Dutch farmers are ten times higher than the equivalent subsidies to Italian farmers — is that compatible with the idea of common conditions of competition?

Ladies and gentlemen, competition policy cannot be pursued in isolation. It cannot solve problems created by failures in other areas. Competition policy must therefore be linked with the reform of other European Community policies — and I am making that point of behalf of my Group too.

(Applause)

President. — Of course there is no group speaking-time for Monday's debates, and you have already been speaking for eight minutes. The agenda is very full this week, as you know, and I think it would be a courtesy to the House if speakers could be a lot briefer than eight minutes.

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

Mr Franz. — *(DE)* Mr President, ladies and gentlemen, the EPP group supports Mr Beazley's report on competition policy. We welcome the fact that this report once again stresses the importance of competition policy as one of the principal objectives of the Treaties and as an indispensable part of a socially responsible market economy. Without competition a market economy cannot be social. At a time of growing unemployment and growing balance-of-payments deficits when many countries advocate protection of their own industries, we cannot stress too highly the fundamental importance of competition to our economies and indeed to all of us.

May I now stress three points which appear to me particularly important — three factors which severely limit competition and are therefore a threat to Europe.

Firstly, subsidies: in recent years we have seen an increasing tendency towards State aids and subsidies; this matter was discussed in detail in the last three Commission reports. We must constantly stress that subsidies and in particular subsidies to protect declining industries are one of the worst enemies of competition and have led to many misguided developments in Europe. Subsidies of this kind prevent the scrapping of unprofitable obsolete plants; as a result competitive plants often cannot earn the profits which are vital to finance the modernization programmes

necessary for the long-term preservation of jobs. Subsidies lead to serious distortions of competition in the European Community. Because of subsidies whole sectors which have been protected against competition have already ceased to be competitive on the world market. Subsidies impair the decision-making freedom of undertakings, efficiency and willingness to take economic risks which are central features of the market economy. At the micro-economic level they reduce the adaptability of undertakings. In macro-economic terms they are detrimental to the mechanisms of control over the market economy and diminish economic productivity and elasticity.

Mr President, unless we take more resolute action to control subsidies in Europe, in a few years' time many sectors of our industry will cease to be competitive. Some subsidies are of course necessary but they must be completely transparent, strictly limited in duration and degressive in nature. The Commission's Tenth Report on Competition Policy quite rightly looks in detail at State aids. Mr Beazley is also rightly asking — and he has my support — for the next report to contain precise information on the results of aids which have been approved and on their duration.

To no less an extent than subsidies trade barriers are an obstacle to competition in the European Community. Under the pressure of unemployment, we have in recent years seen increasing non-tariff technical and administrative barriers to trade which adversely affect the free market in the European Community. However much we admire the creativity and innovative spirit of officials and undertakings in inventing new barriers to trade, we must obviously recognize that these barriers are completely incompatible with the aims of the Community and with free competition which is vital. It is therefore all the more regrettable that the Commission's report does not look at this important topic. The Commission — and I fully endorse this request made by Mr Beazley — must do all in its power to strengthen the domestic market by eliminating trade barriers and preventing the imposition of further barriers.

The further development of a fully operational domestic market is of vital importance to the future of the economy in the 10 Member States of the European Community. In the absence of a properly functioning European domestic market, the current economic problems of the European Community cannot be solved nor can economic growth, jobs and prosperity be safeguarded in the Member States. Norms and approval procedures must be coordinated in the Community instead of being contradictory. Distortions of competition due to inadequate tax harmonization must be ended in the Community together with frontier controls and clearance procedures which restrict trade in goods. Discrimination against suppliers in other Member States by giving preference to national companies in awarding public contracts must also be prevented.

Franz

Let us not forget that the Community market is a market of 270 million consumers. If that market which is far larger than the American, let alone the Japanese market, were to function properly it would be the strongest in the world. Research and development, new investment in advanced products and innovations of all kinds would be far more profitable than on any other market in the world. Free competition can lead to incentives to growth which are of great importance to our future. We cannot fully utilize the advantages of the European market until we put an end to concealed protectionism and achieve a fully functioning domestic market.

Allow me to mention a third point in conclusion: however important the European domestic market may be to us, it must be remembered that about one half of EEC exports go to countries outside the EEC. The Community has today the lowest average customs tariff to be found anywhere in the world for trade in industrial products. It has fought for the development and safeguarding of liberal world trade but in times of declining expansion of world trade, the fight against protectionist trends assumes a key role. Our support for free world trade must be constantly reaffirmed as must our desire to open markets to exporting or developing countries. To a greater extent than most other regions of the world, Europe, which lacks raw-materials supplies, is dependent on free world trade. Only in a system of free world trade can we earn the currency which we urgently need to pay our oil bills and for our raw-materials imports.

It is often forgotten that trade increases with growing industrialization. We should encourage the industrialization of the developing countries which will lead to growing competition and present a constant challenge to us.

On behalf of the EPP group I would ask you to give full support to Mr Beazley's report on the Community's competition policy.

President. — We must now go on to Question Time so this debate and the debate on the Herman report are adjourned until tomorrow.

I call Mr Deleau on a point of order.

Mr Deleau. — (FR) Mr President, pressure of time clearly makes it necessary for us to suspend our debate on Mr Beazley's report. That is a great pity. Could you tell us when this essential debate, which must be continued, will be resumed? May I point out that we are going to create an unjust situation. Two groups have expressed their views at great length this evening because speaking time was not limited. When we resume our debate later on in the week speaking time will be limited. This creates a deep injustice which I

greatly regret. The only solution would be to continue our debate on the report this evening.

President. — I entirely agree with you about open-endedness of the Monday afternoon debate where speaking time cannot be settled because it is not known at what time the debate will start. This gives an opportunity to people to go on too long. I did my best to try and indicate that speakers should keep their remarks as brief as possible. As it is now, the House has already agreed that this debate will continue tomorrow after Item 303 on tomorrow's agenda. It is at the end of tomorrow's agenda, you will appreciate, and I think the whole House will take your point

8. Question Time

President. — The next item is Question Time (Doc. 1-847/81).

We begin with the questions to the Commission.

I call Mrs Ewing.

Mrs Ewing. — Very briefly, Mr President, as the President in the chair determines the order of Question Time, I would move that my Question 19 be given a higher priority for the reason that this question was lodged on 16 September. It does seem, Mr President, if we are going to be expected to lodge questions earlier than September for December, we really have got to ask what point is accomplished by Question Time. I know that the other Questions have been carried forward, some of which were lodged after 16 September, but I would like to put this on the record as something that perhaps could be considered when the list of questions is drawn up.

President. — Question No 1, by Mr Howell (H-438/81):

Does the Commission expect to publish further proposals for a common fisheries policy and if so when?

Mr Richard, Member of the Commission. — As Parliament will know, the meeting of the Council of Ministers fixed for today to discuss this matter has been cancelled. The Commission considers that all the proposals necessary to enable the Council to reach agreement on the entire fisheries policy at its next meeting have already been put to it. Nevertheless the Commission reserves the right to amend its proposals in line with the progress of preparatory work for this Council meeting.

President. — Before I call Mr Seligman to ask a supplementary question, I must point out to the House that the object of Question Time is to try and elicit information from the Commission, and not to have a debate. I am afraid, therefore, I will be rather hard on people who go on too long or who do not ask a question, and I will cut the list short when in my opinion no further progress can be made.

Mr Seligman. — In place of Mr Howell, may I ask for some information about the twelve-mile limit as it affects Britain? We have a stay of execution of ten years on this twelve-mile limit, and that will expire presumably at the end of this year. What will happen after the end of this year about the twelve-mile limit in Britain?

Mr Richard. — As Parliament knows, discussions are taking place between the British Government and, in particular, the French Government on questions of access. I do not think it would be sensible, frankly, for the Commission to be drawn into the detail of those discussions or perhaps into speculation, which may in the end prove not to be necessary, about what should happen after December. As Parliament will know, the Commission's views on the necessary limits have already been made known to the Council, and the Commission at this stage sees no purpose, or indeed point, in altering them.

Mrs Ewing. — Can the Commission tell us what view they are going to take on the proposals which were passed through this Parliament on the last day of the second November session with regard to regional preference, the automatic right of local communities to obtain licences?

Mr Richard. — Well, the Commission will consider the views of the Parliament with its usual care and assiduity, particularly on this issue, since it is one that the Commission knows has exercised the minds of parliamentarians in Parliament very greatly. I think the honourable Member will find, if she looks back at the various proposals that the Commission has made and the various contributions the Commission has made to this debate over the years, that the question of local regional preference is indeed one which the Commission takes very much to heart.

Mr Provan. — Would the Commission not agree that in fact there is very little sense in bringing forward new proposals from the Commission themselves until we know what proposals are likely to be acceptable to the Council of Ministers? It is therefore much more sensible to try and bring the Council of Ministers together and keep them at it until they come up with some bilateral agreements that might successfully result in a new common fisheries policy.

Mr Richard. — I do not think the honourable Member is actually proposing a new procedure whereby the Commission, so to speak, locks the Council up until they come to an agreement. Perhaps there might be something to be said for such a procedure — I can only say to Parliament that there are some moments when at least this Commissioner regrets he does not have that power, but at the moment he does not.

As to the relationship between bilateral discussions and an eventual agreement, of course the honourable Member is quite right: it would be quite absurd for the Commission to produce proposals which the Council of Ministers clearly had no possibility of accepting. On the other hand it would be quite absurd for the Commission to say that it had no locus in this matter, no initiating power, indeed no power of intervention at the moment that the Commission felt right. I am afraid I can only say to Parliament what I said right at the outset, namely that we reserve the right to amend our proposals as and when we think it desirable in the interests of reaching an agreement. But quite clearly it does not make any sense whatsoever for us to come along with totally fresh proposals at this stage when bilateral discussions are taking place.

It is, as I am sure Parliament will appreciate, a difficult question of balance to know precisely at what moment of time you actually exercise the powers which you have got. I can only say that the Commission very much wants a common fisheries policy and we will do everything we can to try and bring it about, recognizing that we will not succeed in satisfying everybody either in the Member States or, indeed, in this House.

Mr Calvez. — (FR) What can the Commissioner do to ensure that the Council does one day adopt a common fisheries policy?

Mr Richard. — The Commission will do what it has been doing, which is to produce proposals which it thinks are sensible and then try and persuade Member States that they ought to think them sensible as well. At this stage, as I said earlier, discussions are still taking place between the British Government and the French Government. Now I can only repeat to the honourable gentleman what I said before; as far as we are concerned we treat it as a matter of great urgency and importance and, within the limits of our powers, we are doing what we can to produce an agreement. But we cannot enforce an agreement. There is no way in which the Commission has the power to ram an agreement down anybody's throat, whichever government we think might be being difficult at any particular time. That is the nature of our institution, and that is the nature of the power that we have, and insofar as these questions, so to speak, have injected an additional sense of urgency, particularly on the Member States who are most directly concerned, I am very grateful to those who have asked them.

President. — Question No 2, by Mr Cousté (H-496/81):

Could the Commission give a brief assessment of the functioning of the New Community Instrument for borrowing and lending operations to date? Which countries submitted the first applications? Were these applications accepted and what is the balance of loans still available?

Mr Haferkamp, Vice-President of the Commission. — (DE) Two reports to which I should like to draw your attention have been submitted to the House on this matter. Firstly, a report on the operating procedures of the new Community financing instrument and secondly a comprehensive report on the borrowing and lending operations of the Community in 1980, i.e. on all our operations in this area.

As regards the new financing instrument, I can summarize the situation briefly: loans to a value of 616 million EUA have so far been granted through this instrument to borrowers in Denmark, France, Ireland, Italy and the United Kingdom.

A great many other applications have been received and are being processed at present; their authorization would use up the remaining 384 million EUA. In addition to these operations, we have also granted credits by special authorization for reconstruction projects following the Italian earthquake.

The Commission believes that experience to date has confirmed the usefulness of the New Community Instrument. The Commission also believes that this Instrument should be a permanent arrangement for regular use.

Mr Cousté. — (FR) This means that the 1 000 million have been or are about to be used. My supplementary question is clear: a new effort in favour of the Community instrument has been envisaged in the European Council. Will the figure be 1 000 or 3 000 million and when will the money be used?

Mr Haferkamp. — (DE) Discussions are currently under way on this in the context of the debate on the mandate. The principle is not in dispute. However, the discussions have not yet proceeded far enough for me to give you information on the definitive figure.

Mr Herman. — (FR) In dealings between the Commission and the European Investment Bank has it been clearly specified who has political responsibility for selecting loan applicants? Secondly, can the Commission assure us that it will do everything in its power to ensure that Council decisions to make available new loan tranches are taken by a majority and not under the unanimity rule?

Mr Haferkamp. — (DE) I shall answer the last question first: the Commission has always attached importance to departure from the unanimity rule wherever possible to speed up decision-making in the Community.

In answer to the first question we believe that there is a very good division of responsibility which has proved satisfactory. The political bodies, namely the Parliament and Council, decide on a proposal from the Commission on the volume and utilization of the credits. The Commission procures the capital after authorization and ascertains whether the proposed projects satisfy the conditions laid down. The European Investment Bank then looks after the banking aspect of the transactions.

President. — Question No 3, by Mr Deniau (H-499/81):

Does the Commission intend finally to propose the introduction of a non-discriminatory levy on all Community or imported vegetable oils? What obstacles currently stand in the way of this proposal which must be introduced in the interests of fairness and effectiveness?

Mr Richard, Member of the Commission. — The Commission has given its official position on the matter raised by the honourable Member in its communications to the Council on the accession negotiations with Spain, and more specifically in its communication on olive oil on 15 October 1981. In that document the Commission stated that in its opinion such provisions should allow for structural measures, provisions for the transitional period and GATT negotiations. It will be possible, taking these into account, to assess the additional cost to the budget which might make it necessary to introduce a non-discriminatory tax on the consumption of vegetable oils, which, in order to comply with the Community's international obligations, would apply both to Community produce and to imported vegetable oils.

Mr Deniau. — (FR) I am rather surprised by the brevity of that reply. We have already discussed this matter and the Commission is familiar with it; it could make proposals when the agricultural prices for 1981/82 are fixed in January. We are constantly left with the impression of retreat in face of the fear of displeasing the American Government by imposing a tax on soya; I think that this is the real problem and not Spanish or other oils. I should therefore like the Commission to say whether or not it intends to submit proposals for taxation when it comes to fix agricultural prices in January.

Mr Richard. — It is much too early for me at this stage to say precisely what proposals will be contained

Richard

in the Commission's proposals on farm prices when they come to be considered by the Commission. As the honourable Member may know, the Commission has not yet in fact started its consideration of this issue. I am sure that in the course of its consideration the precise point raised by the honourable Member will undoubtedly be raised, but what result it will have inside the Commission, quite clearly it would be absurd for me at this stage to speculate about.

Mr Chambeiron. — (*FR*) Does the Commissioner not feel it necessary for the Commission to propose, particularly with a view to the renegotiation of GATT, the imposition of a tax on vegetable fats entering the Community, especially in the case of fats of American origin? I am not of course suggesting that this tax should apply to the countries which have acceded to the second Lomé Convention because the Community has special obligations to them.

Mr Richard. — I think that the only answer I can give to the honourable Member is to say, in the terms in which I answered the original question, that any proposals which the Commission might consider at some stage would have to be non-discriminatory because of the provisions of GATT. Now I think it is rather a tall order to ask the Commission to go and renegotiate the GATT in order to produce a discriminatory tax on vegetable oils directed against the United States of America. On the other hand, the most that I can do to help the honourable gentleman this evening is to say that in the course of the Commission's discussion of farm prices I have noted what he said, and I will make certain that those views are made known to the rest of the Commission.

Mr Welsh. — Could the Commission confirm that it is not just a question of a non-discriminatory levy but that under the GATT rules there would have to be a counter-concession made to our trading partners on some other product? Could he confirm that for the benefit of our French colleagues, who do not seem to understand the point? Could he speculate as to what sort of product the Commission would be proposing for this concession to be made on?

Mr Richard. — The answer to the request for confirmation is 'yes', the answer to the urge for speculation is 'no'.

Mr Pasmazoglou. — The matter is of major significance for the Mediterranean countries and for my country, Greece. I wish to ask the Commissioner whether the political considerations regarding the imposition of a differential non-discriminatory tax have been considered by the Commission and what are the recent results of this consideration because the extension of the consumption of olive oil is a matter of

general importance in which all Mediterranean countries are highly interested.

Mr Richard. — May I say in reply to the honourable gentleman that I entirely take his point as to the importance of the issue and its significance for the Mediterranean countries. The only thing I can possibly add to what I have said before is that the last time the Commission considered this was in relation to its specific communication on olive oil which it made in October. If the honourable gentleman would care to read the specific paragraphs in that, dealing with this issue, I think the views that the Commission took on that occasion become clear.

President. — Question No 4, by Mr Galland (H-501/81):

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 principle of the free movement of capital has been disregarded by the French Government in its decision to nationalize three companies: CII Honey-well Bull, ITT France and Roussel Uclaf — 'notable for their large foreign shareholdings' (Nationalization Bill tabled by Mr Pierre Mauroy on 23 September 1981).

In these circumstances does the Commission intend to ask the French Government to comply with Article 3 (c) of the Treaty of Rome concerning the free movement of capital, and withdraw its plan to nationalize these three companies?

Mr Andriessen, Member of the Commission. — (*NL*) As I have already told you on a previous occasion the Commission believes that the French bill of September 1981 on nationalizations is not incompatible with Community provisions in general and more specifically with those relating to the free movement of capital. That being so, the Commission clearly cannot examine the honourable Member's suggestion that the French Government should be asked to refrain from implementing its nationalization plans.

Mr Galland. — (*FR*) That is rather extraordinary. Are you unable to answer a question, Commissioner? Your answer was quite irrelevant to the question I put to you and I am very disappointed. You can tell me that I am wrong and I would accept your point of view but I would like you to answer my question. I shall now put a supplementary question and I hope you will answer. I shall try to be clear, Commissioner.

You and I both agree that the principle of nationalization does not conflict with the Treaty of Rome. However, the procedures for implementing the French plan may conflict with the Treaty. Article 7 of the Treaty prohibits any discrimination on grounds of

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nationality. Title 2 of the French Bill on the other hand stipulates that only French nationals may act as bankers.

Do you consider that to constitute discrimination on grounds of nationality in the light of Article 7 of the Rome Treaty? I am referring to the nationalization of credit institutions which applies to French bankers only. I hope I have made myself clear and I hope you will give a clear answer with reference to Article 7 of the Treaty.

Mr Andriessen. — (NL) I do not know whether Mr Galland and I are referring to the same question. I am looking at question H 501/81 which reads: 'In these circumstances does the Commission intend to ask the French Government to comply with Article 3 (c) of the Treaty of Rome concerning the free movement of capital, and withdraw its plan to nationalize these three companies?' That is the question and I have answered that the Commission sees no reason to do so. But perhaps we are talking about different questions. Am I right that we are discussing question H 501/81?

Mr Pranchère. — (FR) I should like to point out to the Commissioner that in his reply he has disregarded the first part of my question namely that — as Mr Galland, Mr Calvez and Mr de la Malène must know — nationalizations fall within the national sphere of responsibility and the French Government is doing no more than exercising its sovereign rights. But I now have the second part of my question: can you tell these French Members of Parliament that neither the employers nor the French right wing have any possibility of appealing to the Treaty of Rome following their electoral failures in France.

It is significant that those people are now going abroad to look for the support which they have lost in France.

Mr Andriessen. — (NL) I am sure that the honourable Member has now got his last message across; I see no reason to intervene myself. As to the first point: I have explicitly stated the position of the Commission on nationalizations as such here in Parliament. I added at the time that the procedures would have to be looked at carefully by the Commission and we shall do so on this occasion. At this juncture the Commission believes that there is no reason to put Mr Galland's request to the French Government; I hope that constitutes a specific answer to his question.

Mr Cousté. — (FR) Since the Commission is exercising vigilance in the matter of nationalizations, I should like to know whether it is aware that the French Government has set itself the deadline of

October 1982 for the three nationalizations referred to in Mr Galland's question. Will the Commission use the remaining time to make sure that the Treaty of Rome is actually observed?

Mr Andriessen. — (NL) The Commission will keep a careful watch on the conduct of the nationalized undertakings and on the attitude of the French authorities to those companies. In that connection we shall naturally keep the position of these three particular undertakings under close review.

Mr Deniau. — (FR) I am astonished at Mr Galland's insistence. In this matter it is quite clearly the right of the French Government — which is a legitimate government although I do not support it with my vote — to make mistakes at national level if it wishes to make such mistakes.

Since the Commission has told us that it proposes to keep watch on activities which fall within the internal responsibilities of the French Government, I should like to know how it intends to exercise the vigilance which it claims it has a duty to exercise.

Mr Andriessen. — (NL) Over the years in applying the provisions on competition contained in the Treaty, the Commission has had to show a great deal of inventiveness in order to keep its finger on the pulse of developments in the individual Member States on the part of the public authorities and in undertakings. The Commission will make use of all possible sources to obtain full information on developments; it will refer to official notification by the government and to reports or complaints of any kind. In this connection I might perhaps remind you that on 1 January next the directive which was approved by the Commission 18 months ago on transparency will enter into force, thus giving the Commission a new instrument enabling it to follow the exact pattern of relations between the public authorities and their nationalized undertakings.

President. — Question No 5, by Mr Calvez (H-502/81):

Article 52 of the Treaty stipulates that 'restrictions on the freedom of establishment of nationals of a Member State shall be abolished by progressive stages in the course of the transitional period. Such progressive abolition shall also apply to restrictions on the setting up of agencies, branches or subsidiaries by nationals of any Member States established in the territory of any Member State'. The French Government's decision to nationalize all credit institutions, with the exception of existing foreign banks, is an evident violation of Article 52 of the Treaty and seems to suggest that the banking system is to be frozen. In these circumstances, has the Commission asked the French Government whether new foreign banks will be able to establish themselves in France?

Mr Andriessen, Member of the Commission. — (NL) After my answer to the last question you will not be surprised to learn that the Commission's position on this matter is that, after considering the bill and noting the explanations given by the French Government, we must assume that freedom of establishment is to be maintained in the banking sector. In addition to the foreign banks, i.e. banks at least half of whose capital belongs to foreign nationals or bodies and which are not to be nationalized, other foreign and indeed French banks can still be set up in conformity with French legislation on the banking sector.

Mr Calvez. — (FR) I am grateful to the Commissioner for his answer. But I am sure that he cannot refute the fact that the law on French nationalizations establishes two types of discrimination: firstly between French banks depending on the level of their deposits and secondly discrimination between French and foreign banks.

My question is this: do you not think, Commissioner, that this will automatically change the economic environment because of the nationalization of certain establishments and because of the distinction made for the benefit of mutual and cooperative banks? There really does seem to be something here which conflicts with the Treaty of Rome.

Mr Andriessen. — (NL) I cannot of course prejudge the consequences, for the economic climate in France, as the honourable Member calls it, as a result of the policy of nationalizations practised by the French Government. I do not think this is relevant. The real issue is whether the decisions in question are compatible with the EEC Treaty. In the view of the Commission that is not the case. I have already referred in connection with other questions today to the way in which such a situation could arise in practice, not as a result of the decision itself but as a consequence of the way in which it is applied.

President. — Question No 6, by Mr de Lipkowski, will receive a written reply, as the author is absent.¹

Question No 7, by Mr de la Malène (H-510/81).

Now that the French Government has suddenly adopted rigorous measures affecting prices and public spending, whereas it had proposed an expansionist budget ten days earlier, can the Commission state whether its own recommendations are the cause of this abrupt U-turn by the French authorities?

Mr Haferkamp, Vice-President of the Commission. — (DE) The measures referred to in this question can be

traced back to the adjustment of currency parities in the European Monetary System on 4 October 1981. The French Government's measures to hold down inflation were taken subsequently. Most of those measures relate to prices and incomes. One measure concerns public sector investments. It does not entail a change in the budget but a possible rescheduling of expenditure authorizations.

The Commission is convinced that these measures are a clear political consequence of the parity adjustment on 4 October 1981. The Commission has made no recommendations in this matter. However, on 4 October, i.e. on the day on which currency parities were adjusted, the Commission made a general statement. It expressed a wish that all Member States should draw the logical conclusions from the parity adjustment.

In its statement the Commission pointed out that those countries whose currencies had been devalued should strengthen their fight against inflation and their endeavours to bring budget deficits under control while also pursuing a money policy compatible with the maintenance of the new parities; finally they should limit the general increase in incomes. The Commission has confirmed this basic position in the annual report which it submitted to the Council on 15 October and which is to be examined shortly by Parliament.

Mr Harris. — Has the Commissioner noticed another economic proposal of the French Government — that is, to give some UKL 500 million to its agricultural industry — and could he say how on earth this fits in with the principles of the common agricultural policy?

Mr Haferkamp. — (DE) The Commission has put the necessary questions to the French Government in conjunction with the principles and rules of the common agricultural policy and not with reference to measures following the parity adjustment. The Commission is expecting to receive an answer by the end of the week.

Mr van Aerssen. — (DE) As a further development of the European Monetary System, does the Commission intend to work towards a bilateral monetary agreement including the American dollar, the yen and the European unit of account with a controlled float on the basis of a set margin?

Mr Haferkamp. — (DE) It would be going too far to speak of any intention to conclude an agreement in this connection. The fact is that we have recently intensified our discussions with the American Government on mutual information on general economic matters, trade problems and naturally also monetary issues. Only last weekend we held detailed discussions

¹ See Annex of 16. 12. 1981

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in Brussels with four members of the American Government on general economic and trade problems and we propose to continue discussions of this kind at regular and relatively short intervals.

President. — Question No 8, by Mr Deleau (H-512/81):

Does the Commission consider that the European Monetary System has worked well and that the recent monetary adjustments, notably concerning the French franc and the German mark, are likely to put an end to the speculation of the last few weeks?

Mr Haferkamp, Vice-President of the Commission. — (DE) Since the European Monetary System was set up in March 1979 the world economy has been hard hit by the second oil price shock and this has resulted in a real instability of currency parities outside our monetary cooperation system. The wide fluctuations in the exchange rate of the American dollar have been a particularly important factor in this disorder. These events outside the European Monetary System have had a considerable impact on the currencies of our Member States but not to the same extent on all of them and this fact led to tension on Community currency markets.

The Commission is convinced that the adjustment of the central rates on 4 October, to which we have already referred, together with the accompanying economic policy measures in the Member States, will lessen tensions on the currency markets and, in principle, improve the prospects for increasing convergence of the Member States' economies.

Looking at our overall experience of the European Monetary System to date, we find that it has made a considerable contribution to the stability of the European economy. From the outset our aim has been to create a zone of stable exchange rates through the European Monetary System. Obviously this is extremely difficult because of the events which have occurred outside the Community. It was clear from the outset that we could not attempt to establish completely fixed parities. That would not have been possible in practice. Exchange rate adjustments were not only permitted — we also viewed them right from the start as an important feature of a properly functioning monetary system.

Mr Deleau. — (FR) Can the Commission tell us whether it keeps a close watch on the divergence indicator which, at a given moment, indicates that a particular currency has reached the floor of its fluctuation margin and if so, are the necessary technical measures then taken?

Mr Haferkamp. — (DE) The answer to both questions is yes.

Mr de Courcy-Ling. — What discussions is the Commission having with the United Kingdom Government concerning British membership of the European Monetary System? What are the impediments to the United Kingdom's joining the system and would the Commission forecast a date when the United Kingdom might join the system?

Mr Haferkamp. — (DE) The decision rests with the United Kingdom and the Commission is expecting the UK Government to take that decision.

Mr Cousté. — (FR) We welcome the Commissioner's answer. It is true that the European system has promoted stability but, as he said, economic convergence still leaves much to be desired.

My question is this: should the relative weight of the currencies within the basket not be reviewed in the near future?

Mr Haferkamp. — (DE) The Commission is not convinced that such a review is urgent at the present time.

Mr Prag. — Does the Commission agree that the absence of the United Kingdom from the exchange rate mechanism of the European Monetary System is a major shortcoming of the system and also that resultant volatility of sterling is a major handicap for British industry and commerce?

Mr Haferkamp. — (DE) The Commission has always maintained that it is in the interests of the Community Member States and desirable from the point of view of our economies for all Member States to belong to the system as far as this is possible.

Mr Psmagzoglou. — With reference to the last statement by the Commissioner, may I ask whether the European Monetary System is considering a policy to include the relatively weaker Member States in the European Monetary System and what is the content and design of this policy in view of the interest which we also have to participate fully in the European Monetary System?

Mr Haferkamp. — (DE) Membership of the system is in the fundamental interest of all Member States of the Community, particularly those with the weaker economies. The essential aim is after all to pursue common policies as far as possible and to enable this to be done where necessary through evidence of solidarity. Apart from that observation of principle, right from the outset when we began to consider a European Monetary System — I remember when we were discussing

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the first steps towards economic and monetary union in the late 60s, in 1970 and 71, — we also had in mind a system of short term balance of payments aids and medium term monetary credits to enable all the Member States to survive in the system and actively contribute to it.

In innumerable cases and on many occasions — with the support of this House — the Commission has been emphasizing for the past ten years that this monetary system can only be effective and remain operational if appropriately convergent economic policies are pursued and if the economic policies of the individual Member States do not drift too far apart. The monetary sector is of course heavily affected by the widely varying foreign trade positions of our Member States and the widely varying impact of the oil bill. Remembering these different positions and the external pressure to which we are exposed, it must be said that the system has proved successful; we therefore have every reason to adhere to the principles of this policy and to a corresponding economic policy.

President. — In the absence of their authors, Questions Nos 9 and 10 will receive a written reply.¹

Question No 11, by Mr Petersen (H-528/81):

The well-known independent American energy consultant, Charles Romanoff, recently drew attention to the decreasing competitiveness of nuclear power. His calculations show that the capital cost of nuclear power stations has risen by 142% between 1970 and 1978, as against 66% for equivalent coal-fired power stations. By the end of the '80s it will almost be possible to build two coal-fired power stations for the price of one nuclear power station, while the price of nuclear-generated electricity will be at least 25% higher.

Does the Commission accept Mr Romanoff's calculations, and if so, what conclusions has it drawn?

Mr Richard, Member of the Commission. — The Commission is aware of the findings of the studies carried out by the economist, Mr Charles Romanoff who has, among other things, investigated the trend in the capital cost of both nuclear and coal-fired power stations in the United States, where nuclear power station construction times have become much longer over the last decade, which in turn has resulted in higher costs and uncertainty as to the debate on which commercial operations will start, but in a country where there are plentiful and cheap supplies of coal.

The situation in the United States may well explain the findings of Mr Romanoff's studies to a large extent. But the Commission, which has no means of checking the data or the methods he has used, is frankly unable to comment on the findings. As far as the Community

is concerned, the Commission has been instrumental in setting up a standing working group of electricity producers with which it maintains close contacts. This group has been active since 1977 and has devised and periodically applies a common method which takes due account of the changes which have taken place in each country. All the assessments have indicated a net economic advantage for nuclear energy.

Mr Petersen. — (DA) I thank the Commission for that reply. I am glad to hear that there is a standing working group dealing with these questions and I am glad to hear that the Commission at least acknowledges the pertinence of Romanoff's calculations as far as the USA is concerned. Strictly speaking, I cannot see any reason why the situation in Europe should be different from that in the USA. Therefore, I think the logical conclusion to draw from Romanoff's calculations would be to go in for massive investment in renewable energy sources. I should therefore like to ask a supplementary question — whether the Commission will take the initiative and try to get the Council to adopt a massive investment programme for the development of renewable sources of energy — and here I am not thinking of the small token amounts which have been allocated up to now, but of a truly massive programme comparable in size to the investment in nuclear power.

Mr Richard. — As far as the Commission's views on energy research are concerned, communications have gone from the Commission to the Council recently proposing just such actions but whether they will be comprehensive enough to meet the views of the honourable gentleman we will obviously have to wait and see.

It is true that there is a difference on the face of it between the report by Mr Romanoff and the report by the Commission's experts. Without going into the details of it either way, I can only say that that would seem to me to reflect one of two things: either the situation is very different indeed in the United States of America from that in the Community countries, or alternatively there may be some different methods of assessing data — or of collecting data — which frankly at this stage might mean that the Commission could not accept that Mr Romanoff had necessarily got the method right.

Mr Seligman. — Is it not true that the capital cost of anything like nuclear power stations depends very much on the repetitive production and the volume of production that can be achieved? And would not the Community benefit enormously by a degree of standardization in the Community, especially of the main components, since I think we could then get the price down as the French have in fact managed to do?

¹ See annex of 16. 12. 1981

Mr Richard. — Insofar as the question from the honourable gentleman is a statement of fact, I find it difficult to take issue with him. There is clearly an advantage in size and there is clearly an advantage in standardization.

As regards actually applying that to the present situation in the Community, I do foresee certain practical difficulties in getting the various Member States to agree to it.

Mr Skovmand. — (*DA*) I should like to ask the Commission whether it still intends to produce an information programme or some form of propaganda on behalf of nuclear power in the different Member States. And does it have any idea how such a propaganda campaign should be organized?

Mr Richard. — I am not here trying to advocate, justify or indeed launch a propaganda programme, to use the words of the honourable parliamentarian on this. I was asked a question as to the Commission's attitude to a report — a distinguished report — produced by an American, who has obviously been very active and experienced in this field. I answered the question in the sense that as far as the Commission is concerned we do not accept that his views, which may be applicable to the United States of America, are necessarily applicable here inside the Community. I do not think frankly it is for the Commission one way or the other to attempt to go further than I have gone this evening in relation to this particular report.

Mr Van Minnen. (*NL*) — I find that answer rather disappointing and I would like the Commission to say whether, in view of the biggest failure in the area of nuclear energy investments which we have ever experienced in Europe, the bankruptcy of the Kalkar project on the Dutch-German frontier, it does not consider that the time has come to check Mr Romanoff's conclusions in order to ascertain to what extent they apply to the European Community.

Mr Richard. — I am asked whether the Commission accepts the findings of a certain report. It is a specific question designed to elicit a specific answer, and, with great respect to the honourable gentleman, it did elicit a specific answer. Now as regards the fact that he doesn't like the answer, with great respect, there is not very much that I can do. As far as the particular point that he has in mind is concerned. I don't think frankly that it either weakens or strengthens the position the Commission takes on Mr Romanoff's findings. It is a point which obviously is of great interest and importance to the honourable gentleman. It is a point that I am sure the Commission would wish to consider.

Mr Moreland. — Would the Commissioner like to go even further and to say that with the advent of fast-breeder technology the cost of nuclear energy, certainly the operating cost, is likely to fall even further vis-à-vis other energy sources? And would he not agree with me that the main obstacle to nuclear energy development is not cost but political misinformation on the safety aspects?

Mr Richard. — Here I am being asked to make two speculations, both of which, with respect to the honourable gentleman, I decline.

The only point I would make is that it is perfectly true that the lead times now in the United States from the time that a company takes a decision to start a nuclear power station and the time that the power station actually comes on stream, have elongated very considerably during the last few years because of the environmental lobby in the United States and because of the necessity which is now perceived, but was not perceived before, to have a maximum amount of public discussion. And I, for my part, and I speak only personally on this, am in favour of public discussion rather than against it.

President. — Question No 12, by Mrs Fullet (H-533/81):

The Economic and Social Committee has approved the proposals submitted by the Commission to the Council concerning the mutual recognition of diplomas, certificates and other evidence of formal qualifications of doctors, nurses responsible for general care, dentists and veterinary surgeons respectively.

Why has the Commission not extended the scope of this directive to cover all medical auxiliaries, particularly kinesi therapists and biological chemists?

Mr Haferkamp, Vice-President of the Commission. — (*DE*) The proposed directive to which the Honourable Member refers supplements existing directives on the mutual recognition of diplomas, certificates and other evidence of formal qualifications of doctors, nurses in general care, dentists and veterinary surgeons. The Economic and Social Committee delivered an opinion on 29 April last. However, since we were dealing with a supplement to an existing directive on the professions which I have just listed, it was not possible to include provisions relating to the diplomas of kinesi therapists and biological chemists.

Mrs Fullet. (*FR*) — I am grateful to the Commissioner but his answer does not satisfy me altogether. I wanted to know whether there is any possibility of extending mutual recognition of diplomas to the two professions cited by you and to the whole paramedical sector. That is all I wanted to know and you have not given me an answer.

Mr Haferkamp. (DE) — That was not the original question but you have now put it to me and I shall give you an answer.

As far as chemists are concerned the Commission put forward proposals for mutual recognition early in 1981. As regards proposals for directives on the mutual recognition of the diplomas of kinesiologists, the Commission has already replied to several previous questions on this matter that this is not one of its priorities at present.

President. — In the absence of its author Question No 13 will receive a written reply.¹

Question No 14, by Mr Blaney (H-551/81):

Does the Commission agree that there is very serious economic and social deprivation in areas of the north of Ireland and that this deprivation is one of the causes of violence, and will it consider taking the initiative in proposing a full-scale effort using the Community funds to improve the lot of the most deprived sections of the Irish population?

Mr Andriessen, Member of the Commission. — (NL) Like the Honourable Member, the Commission is well aware of the importance of the economic and social problems of Northern Ireland and that is one reason why the measures taken by it and the funds which it has made available have repeatedly been used in the past in an endeavour to improve the situation.

Naturally, our activities must cover a fairly long period and there can be no question of measures being taken overnight; this is a continuous process involving the various Community instruments. Only recently the Commission reported on its activities to the House in response to other questions put by the Honourable Member. May I now draw your particular attention to the proposal for a regulation introducing specific measures for housing in Northern Ireland in the framework of an integrated action in Belfast; this action was announced to you some time ago in answer to earlier questions and has now been submitted by the Commission to the Council on 19 November. I can only hope that the Commission will be able to report a favourable decision in the course of the further discussions of this proposal.

Mr Blaney. — While I appreciate the mention of the continuous efforts the Community has made and is making to try to alleviate the situation in the six counties of north-east Ireland, might I appeal to the Commission to try and expedite some of the proposed measures and to get them working on the ground?

Despite the efforts of the Community and all other efforts to date, the deprivation continues progressively. The situation is worse today than it was two, three or five years ago and shows every indication of

worsening still further, and that very quickly, in the immediate future.

Mr Andriessen. — (NL) The situation in Northern Ireland is of course bad and that is why the Commission would like to implement its proposed measures or the measures with which it is involved as rapidly as possible. Clearly the Commission is only one of the institutions involved with these problems. The proposal relating to the Belfast housing project has now reached the budgetary authority. Having regard to the resolutions adopted by Parliament on this matter earlier this year the Commission supports the views expressed by the Honourable Member.

Lady Elles. — Could I draw the Commissioner's attention to the fact that the question is, of course, wrongly worded? The question presumably refers to Northern Ireland, which is part of the United Kingdom. The deprived areas in Northern Ireland are the result of violence, rather than the other way round, and the deprived sections of the people happen to be British, not Irish. Finally, the contribution from the Commission in the form of about 50 million pounds for housing in Belfast would be very much welcomed and is very much needed by the population, and will the Commissioner undertake to do everything he can to improve the lot of the people of Northern Ireland, who have suffered so much from terrorism over the last few years?

Mr Andriessen. — (NL) The Commission does not agree with that reasoning. It has given an answer about the fundamental problem, namely the situation of the people in Northern Ireland. On that point the Commission has answered. If the decision on the project which has now been submitted is favourable, as I fervently hope, the Commission will do all in its power to see to it that the project is implemented as quickly as possible.

Mr Van Minnen. — (NL) Now that we are on the subject of money again, can the Commission perhaps inform us whether it knows if the UK Government has done anything specific with the contributions paid back to it by the Community to assist Northern Ireland, an area in which the UK Government always says it takes such a close interest?

Mr Andriessen. — (NL) I am not able to give a specific answer to that question but if I am not mistaken I seem to remember from the papers I have studied on this matter that at least one project has been financed in this way. I say that with some reservation as I cannot be entirely sure at the moment.

¹ See annex of 16. 12. 1981.

Mr Balfour. — In the light of the Committee on Budgets' decision last week to recommend to Parliament no more than 16 million units of account on the line, with the proviso that the balance of 12 million required for this housing project be drawn from the Regional Fund reserves, can the Commission advise the House whether 12 million units of account will indeed be forthcoming from the Regional Fund reserve provisions, or will the Committee on Budgets' recommendation mean an actual cut in the proposed expenditure for Northern Ireland from the 28 million recommended by the Commission to 16 million? Quite a lot of voting in this House, I am sure, will depend on the reply the Commission will give to that question.

Mr Andriessen. — (NL) It is really for my colleague who has specific responsibility for budgetary proposals to answer that question. I can tell you that the Commission has submitted a proposal for 28 million — as you know — and I see no reason for the Commission to amend that proposal.

Mr Maher. — Would the Commissioner agree that unless there is a solution to the political problem in the North of Ireland — and it is basically a political problem — much of the resources which the Community would put into the North of Ireland — and with that I completely agree — will be largely wasted?

Mr Andriessen. — (NL) I consider this a very difficult question. I cannot judge in advance exactly what will be done with each Unit of Account made available to a country experiencing serious difficulties. I cannot guarantee that each Unit of Account will reach its true destination. The important point is that all those who bear responsibility for these actions should do everything possible to see to it that the money does reach its intended destination. I consider that the specific housing project to which I just referred is an instance of an action where money can reach the place at which it is desperately needed. The Commission's proposal must be seen against that background and I hope that the Honourable Member will view the Commission's efforts in that light.

President. — Question No 15, by Mrs Pruvot (H-555/81):

The resolution on the social situation of cultural workers (Doc. 1-558/80)¹ was adopted unanimously by the Assembly on 16 January 1981. In virtue of Article 122, second paragraph, of the EEC Treaty, the Assembly therefore invited the Commission to 'take immediately the steps needed to ensure that the Statistical Office can start drawing up as soon as possible the necessary statistics on the employment, remuneration and social

security benefits of cultural workers in the countries of the Community'. If it is not able to give precise figures, could the Commission at least give an indication of how far the Statistical Office has progressed with its work at the present time?

Mr Andriessen, Member of the Commission. — (NL) The Statistical Office had discussed with statisticians from the Member States the possibility of separating cultural workers from the general official statistics and keeping accurate separate statistics for them. In particular, they examined the possibility of obtaining information on the employment situation of cultural workers and their inclusion in the social security systems applicable to them. Unfortunately we have found that there are no satisfactory national statistics in this area.

That being so the Statistical Office is now making preparations for a study designed to ascertain how best to define cultural workers with a view to establishing a relevant basis for statistics. From the statistical angle this is by no means an easy task. Once the study has been completed the results will again have to be discussed with the statisticians from the Member States and it will then be considered whether the request contained in the honourable Member's question can be acceded to. I can do nothing about the fact that statistical processing in this area has fallen well behind the needs. I believe it is desirable, following this parliamentary question, to attempt to clear the backlog but that will clearly take time. The necessary study is included in the current programme of the Statistical Office. We hope that it will be completed in the not too distant future and that we shall arrive at a satisfactory result.

Mrs Pruvot. — (FR) If I have understood you rightly, the officials of the Statistical Office took almost a year to find that national statistics were deficient. I therefore think that Parliament should be informed of the staff situation in that office in order to compare its cost with the work performed. Do you not think that the inadequacy of the national statistics should have encouraged the office to undertake the necessary work immediately instead of waiting for a year; that office is in fact hampering the action which President Thorn proposes to undertake in this sector for which he has specific responsibility and which he announced officially to the Committee on Youth, Culture, Education, Information and Sport at its meeting on 24 November last.

Mr Andriessen. — (NL) You put several different questions and I shall try to answer them in the same order. It is of course not true that nothing has been done for a whole year. Discussions were opened quickly with international experts. It transpired that the available data was inadequate or lacked comparability. The problem was then discussed in the course of

¹ OJ No C 28, of 9 February 1981.

Andriessen

a year by a number of working parties. I therefore certainly cannot accept the suggestion that the Statistical Office has not been sufficiently active. That is my answer to the first question.

As to the second question, my answer is that where national statistics are inadequate, action must obviously be undertaken. That is why the Statistical Office is now conducting a study which may give rise to activities at national level. Having regard to the fact that the Statistical Office obviously has other activities to perform than the pursuit of new studies which, as is well known, involve considerable scientific problems, it seems wrong to criticize the Statistical Office. I also think that such criticism is detrimental to the positive intentions of the President of the Commission who has spoken in various bodies of the need to pursue a policy in the cultural sector.

Mr Patterson. — Like Mrs Pruvot, the Committee on Youth, Culture, Education, Information and Sport could have told the Commission and the Statistical Office that no national statistics existed, and it is precisely for that reason that in our resolution we asked the Commission and the Statistical Office to compile them on a Community basis. Now Mr Andriessen spoke of 'a certain amount of time' before this could be done. Could I ask him to estimate how much time?

Mr Andriessen. — (NL) I realize that it is always desirable for Parliament to have concrete data but you will understand that it may be difficult for those who are ultimately responsible for producing the data to be bound by a specific date.

Having said that I cannot anticipate what problems may arise in the course of further work on this project but I expect the study to be ready by the autumn of 1982. In all probability interim results will be available earlier in the year, probably in the spring.

Mr Israël. — (FR) I am quite satisfied with the Commissioner's last answer which fixes a date. That is very important. I wonder if he knows that Parliament has adopted a resolution on this matter. This is a vital point. We are not acting on our own limited initiative. The whole Parliament requested action which the Commissioner now says he will be taking.

Mr Andriessen. — (NL) I indicated a date subject to the necessary reservations. For the rest, I took part, shortly after my appointment as Commissioner, in a debate on this subject in Parliament. That was one of my first activities as Commissioner and I therefore knew about this resolution.

Mr President. — Question No 16, by Mr Seligman (H-562/81):

In view of the failure of the Mexico Cancun Summit to agree on the creation of an energy affiliate to the World Bank, will the Commission investigate the possibility of establishing an energy affiliate to the European Investment Bank, in order to cooperate with members of OPEC in the financing of Third World energy projects?

Mr Haferkamp, Vice-President of the Commission. — (DE) We are sorry that no agreement was reached in Cancun on the creation of an energy agency at the World Bank. However, this does not mean that the aim of bringing about a substantial increase in World Bank credits for the energy sector must be abandoned; that is imperative and we shall continue to work towards that aim. We shall also examine the various possible ways of attaining this goal and a decision will have to be taken soon. As you know, the World Bank is actively engaged in the search for solutions.

We continue to believe that the energy agency would be the best solution, particularly in order to attract resources from the oil surplus countries and recycle them into the world economy. That being so, it is for the Community and its Member States to urge progress in this matter and bring it through to a successful conclusion. We therefore believe that an initiative aimed at creating a kind of European substitute for the World Bank Energy Agency would have exactly the opposite effect. The Community is looking into all possible ways of making available increasing quantities of oil capital for the financing of energy projects. We are engaged in particular in efforts to extend existing joint financing arrangements with the OPEC countries.

Mr Seligman. — I am very pleased to hear that rather positive reply but I do think there should be a time limit set on the setting up of a World Bank energy affiliate because, if not, it may drag on indefinitely. I think then we should have some other initiative and I would like to know how Mr Pisani's talks with the Gulf States on this subject are progressing. Is there any news on that?

Mr Haferkamp. — (DE) Some time ago after a very detailed debate on a very instructive and in our view important report, Parliament adopted a resolution on Community cooperation with the Gulf States. Contacts were then established between the Commission and the Organization for Economic Cooperation of the Gulf States. We shall be continuing these talks early next year with the General Secretary of that organization in Brussels.

Mr Eisma. — (NL) If the Commissioner believes that an initiative to set up an energy agency at the European Investment Bank would be counter-productive

Eisma

and that preference should be given to a World Bank energy agency, can he also say when the Commission will make the necessary representations to the World Bank?

Mr Haferkamp. — (DE) I cannot indicate a timetable for the creation of an energy agency at World Bank level and in the context of the North-South Dialogue. I can only say that the Community has advocated this right from the start in the context of the North-South Dialogue and the global negotiations. The Community will continue to urge the need for progress in this matter and seek a solution at World Bank level.

We are convinced that this would be the best solution and I am sure the House will agree that it must be found at world level. We are seeking to achieve this end and, as I told you just now, we might achieve the opposite effect if we undertook an initiative of our own at European level. The reason for this is quite obvious: we attach value to the more comprehensive solution and do not wish to give the impression that we are abandoning it by moving towards a European agency of our own at this juncture.

President. — Question No 17, by Mr Beazley (H-571/81):

What are the consequences for the Community's energy strategy of the increase in the price of oil agreed by the Organization of Petroleum Exporting Countries at its meeting of 29 October 1981?

Mr Richard, Member of the Commission. — An increase of US dollars, one dollar per barrel, can be expected in the average CIF price of crude oil for the Community as a result of the decision taken by OPEC on October 29. I should like to add that OPEC's decision can surely only strengthen the Community's determination to implement its energy strategy in order to reduce dependence on oil through more rational use of energy and greater diversification of supply. The priority areas of Community action required to implement this strategy were defined in a recent Commission communication on the development of an energy strategy for the Community. These priorities were endorsed by the Council on 27 October.

Mr Beazley. — The Commissioner has gone a long way to help me with my supplementary question, which was to ask, in perhaps greater detail than he has already given, what steps the Commission is urging on Member States to bring about lower energy costs as one of the key elements in the Community's energy strategy. I think he gave me a general answer: could he be a little more precise?

Mr Richard. — I am obliged to the honourable Member for his supplementary question. There are indeed five priority actions that the Commission is urging: (1) to aim at an adequate level of investment, both in alternatives to oil and in the more rational use of energy; (2) to try to develop a common approach to energy pricing and taxation; (3) to aim at establishing measures of Community solidarity to avoid destabilizing the market; (4) to reinforce common policies in the fields of research, development and technological demonstration; (5) to develop further common approaches and initiatives in external energy relations.

In brief those five priorities are to aim at better investment; to develop a common approach to pricing and taxing; to establish measures to avoid destabilizing the market; to reinforce research, development and technology; and to promote a more common approach in our external energy relations. Those are the five priority items the Commission has put to the Council, which, by and large, they have accepted.

Mr Seligman. — Of those five very important objectives, the most immediate one, of course, is the question of a common pricing approach. I do not know whether the Commission is aware of the wide diversity of promotional tariffs offered by certain countries to big users of electricity and how this damages the competitive situation in the Community, particularly in my country, where industry has to pay very high prices for electricity, when compared with France and Germany.

Mr Richard. — I must say that I admire the skill of the honourable gentleman in moving away from what, on the face of it, I thought was a fairly short answer on Community oil policy, and ending up with a situation about the price of electricity to British industry. I admire his skill, but I do not think I can follow him entirely down that path, except to say that the points that he has made will no doubt be taken into account by the Commission when they are, so to speak, fleshing out those general proposals so as to ensure that we avoid the sort of situation which, if the honourable gentleman is right, British industry is now facing.

Mr Herman. — (FR) I wonder if the Commission shares the view that the inclusion of oil prices in the indexes is compatible with the objectives of energy savings by consumers.

Mr Richard. — This is obviously a question that has provoked a great degree, almost to a prolific extent, of personal imagination on the part of parliamentarians. I really had not applied my mind to the question on indexation in relation to oil pricing, and if the honourable gentleman will forgive me, I do not propose to apply my mind to it now.

(Laughter)

President. — Question No 18, by Mr von Wogau (H-311/81):

Would the Commission agree that research and development in the field of electron beam lithography is of vital importance to the future development of the electronics sector and that Japanese and American companies have, however, achieved an almost unassailable competitive advantage over European companies? Is it prepared to promote research and development in this field, and what steps is it taking to do so?

Mr Richard, Member of the Commission. — In the application of my mind to this extremely important issue, electron beam lithography is expected to play a major role in the manufacture of large and very large-scale integration circuits throughout the current decade. The possession of this technology will therefore be essential to the future of the electronics industry in the Community. The Commission acknowledges the fact that American and Japanese firms have gained a considerable lead with respect to the European competitors, but does not consider this position to be irreversible yet. It considers, however, that actions to redress the balance are urgently needed and that it will be its rôle to encourage and assist the launching of such actions. To this end, it has proposed a first programme of R and D covering electronic beam technology as well as other equally important concurrent technology and disciplines. This programme, with a duration of four years and entailing a Community expenditure of 40 million units of account, was approved by the Council on 9 November and will be launched on 1 January 1982.

Mr von Wogau. — (DE) Under the terms of the Treaty, Commissioner, subsidies can only be given for

research projects if firms established in the European Community participate. Experience shows, however, that in this area of fundamental research it is very difficult to persuade any of the large European companies to invest since they repeatedly claim that the risks are too great. Does the Commission see any possibility in such cases of making an exception and granting subsidies for these projects even if no European company is involved?

Mr Richard. — This project is aimed at strengthening industrial capabilities both on the manufacturer's and on the user's side. Direct support — and I emphasize the word 'direct', is therefore only foreseen for industrial users. On the other hand, contributions by university and/or research centres will obviously be welcome, but the terms of this cooperation would have to be negotiated and agreed between the interested universities and an industrial participant in the project. Perhaps I should also say that the Commission feels that universities and research institutes will play a major rôle in the projects on computer-aided design, for which work of a more theoretical nature is going to be required.

President. — I hope the House will feel that I have conducted proceedings in accordance with its wish that we need to get through as many questions as we can and get as much information as is reasonable. I am most grateful to the House for its cooperation in, I think, beating all records by getting through eighteen questions.

The first part of Question Time is closed.¹

(The sitting was closed at 20.05 p.m.)²

¹ See Annex of 16. 12. 1981.

² *Agenda of the next sitting*: See minutes of proceedings.

ANNEX

Commission action on opinions on its proposals delivered by the European Parliament at its November 1981 part-session

1. As agreed with the Bureau of Parliament, the Commission informs Members at the beginning of every 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 November part-session the European Parliament delivered 17 opinions on Commission proposals in response to Council requests for consultation.
3. At the part-session 10 matters were discussed in connection with which Parliament delivered favourable opinions on or did not request formal amendment of the proposals mentioned below.
 - Report by Mr Verroken on a proposal for the conclusion of the Convention on Wild Migratory Species,
 - Report by Mr Cohen on the proposals for the establishment of the generalized preferences scheme for 1982-1985,
 - Report by Mr Kirk on the setting of 1981 allowable catches,
 - Report by Miss Quin on the allocation of fish stocks for 1981,
 - Report by Mr Battersby on three proposals concerning catch quotas in Norway, Sweden and the Faroe Islands,
 - Report by Mr von Wogau on the proposal relating to Community transit,
 - Proposal for a directive amending Directive 76/625/EEC concerning the statistical surveys to be carried out by the Member States in order to determine the production potential of plantations of certain species of fruit tree,
 - Proposal for a regulation amending Regulation (EEC) No 2925/78 as regards the period of suspension of application of the condition to which the importation into the Community of certain types of citrus fruit originating in Spain is subject,
 - Proposal for a regulation amending Regulation (EEC) No 2771/75 on the common organization of the market in eggs,
 - Proposal extending the scope of Regulation (EEC) No 574/72 to cover self-employed persons and the members of their families.
4. In 7 cases the European Parliament asked the Commission to alter its proposals under the second paragraph of Article 149 of the Treaty and in 3 of these the Commission accepted the proposed amendments.
 - Report by Mr Lega on the proposal amending the Staff Regulations of Officials of the European Communities (COM (81) 460 final)
 - A proposal amended along the lines desired by Parliament has been prepared and put before the Council, which has adopted it subject to parliamentary consultation.
 - Report by Mr Muntingh on the proposal concerning the Convention on International Trade in Endangered Species of Wild Flora and Fauna
 - At its meeting on 3 December 1981 the Council reached broad agreement on a text which — on the most important points — meets the wishes expressed in the parliamentary opinion. In order not to jeopardize this compromise the Commission has not thought it desirable formally to present an amended proposal.
 - Report by Mr Colleselli on two proposals concerning the wine market. At its meeting on 3 December 1981 the Council adopted the two regulations, which take account of the amendments proposed by Parliament.
 - In the 4 other cases the Commission explained to the European Parliament why it preferred to maintain its proposals.
 - Report by Mr Woltjer on the proposal concerning the granting of export refunds by inviting tenders for milk products,

Report by Mr Papaefstratiou on the proposal concerning producer groups and associations thereof,

Report by Mr Gautier on the proposal providing for certain technical measures for the conservation of fishery resources,

Report by Mr Provan on the proposal establishing Community arrangements for the conservation and management of fishery resources.

5. Having considered the opinion given in the report by Mr Deleau on proprietary medicinal products at the October 1981 part-session, requesting withdrawal of the proposal, the Commission decided to agree to this; the appropriate procedures will be initiated forthwith.

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

Report by Mr Delorozoy on the economic situation in the Community and the setting of economic guidelines for 1982,

Report by Mr Price on budget control in respect of the purchase and supervision of office supplies and equipment,

Report by Mr Schwencke on making Community records open to the public,

Report by Mr Diligent on surveillance and protection of shipping lanes,

Resolution on relaunching Community economic and political cooperation,

Resolution on strengthening the structures of European political cooperation,

Two resolutions on European political cooperation

Resolution on the enlargement of the Community southwards,

Resolution on the Multifibre Arrangement,

Report by Mr Johnson on pollution of the Rhine by salt discharges,

Report by Mr Alber on the state of progress in work on the environment,

Report by Mr Cohen on the outcome of the parliamentary delegation's mission to Cambodia,

Report by Mr Adonnino on supplementary and amending budget No 2 for 1981.

The Commission took the opportunity to inform Parliament of the emergency food and financial aid that had been granted since the previous part-session:

400 t of skimmed-milk powder and
250 t of butteroil for Cape Verde,

100 t of skimmed-milk powder and
100 t of butteroil for Djibouti,

300 t of skimmed-milk powder and
100 t of butteroil for Lesotho,

1 500 t of skimmed-milk powder for Zambia,

2 000 t of skimmed-milk powder for China,

1 000 t of skimmed-milk powder for India,

280 t of skimmed-milk powder for the Philippines,

100 t of skimmed-milk powder for Angolan refugees in Zambia,

310 t of butteroil for the Red Cross League,

595 t of butteroil for non-governmental organizations (NGO),

450 t of butteroil for the Red Cross,

30 t of butteroil for Uganda;

450 000 ECU for Oganden refugees in Somalia,

500 000 ECU for Ugandan refugees in Zaire,

15 000 ECU to combat a dysentery epidemic in Zaire,

500 000 ECU to combat epidemics in the Central African Republic,

100 000 ECU for the communities affected by the disturbances in Ghana.

SITTING OF TUESDAY, 15 DECEMBER 1981

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IN THE CHAIR: MR FRIEDRICH

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 objections?

I call Mr Moreau.

Mr Moreau, *chairman of the Committee on Economic and Monetary Affairs.* — *(FR)* Mr President, I should like to urge the House as a whole to beware of going about things the way we have been doing with important reports such as the one on competition.

What happened yesterday, in effect, was that we found ourselves with just 25 minutes to debate this report, which comes up each year and concerns one of the Community's most important policies. I am of course well aware that this debate is not yet finished and that it will in all probability be resumed on Friday, but as chairman of the Committee on Economic and Monetary Affairs I must protest most strongly at the manner in which debates are run, for we really cannot afford to be interrupting debates as important as this.

I for my part wish that the Bureau could, in fixing the agenda, take into account the real priorities, some of which are to a certain extent dictated by the Treaty. I hope, Mr President, that you will intercede with the Bureau on our behalf so that our business can be more satisfactorily arranged in the future.

President. — Mr Moreau, I shall bring it up later in the Bureau. However, I should like to ask that such objections should be raised when the order of business is being established and not when the minutes come up for approval.

I call Mr Berkhouwer.

Mr Berkhouwer. — *(NL)* Mr President, if we are not talking about the minutes but about the adoption of today's agenda, I should like to express my agreement with the previous speaker, since it was decided yesterday that the debate on the very important report on competition should take place today.

Mr Moreau. — *(FR)* It was decided yesterday that this debate should take place today. But now we are

told that it will be held on Friday, when everyone will have gone. In that case, Mr President, I suggest that it should continue on the Monday of the January part-session, because yesterday there was no mention of a limit on speaking time. If the debate was held today, speaking time would be limited.

I therefore formally propose to the Assembly that it decide that the debate be concluded on the Monday of the January part-session.

President. — I call Mr von der Vring.

Mr von der Vring. — *(DE)* Mr President, I have a complaint to make. I am not sure what has happened here. I listened very attentively yesterday when the agenda was being adopted. Now I see — and this follows on from what has just been said — that a change has been made to the agenda for Wednesday morning. The first item of the original agenda — and this was important — was: 'possibly, continuation of the agenda of the previous sitting'. This item has been deleted without much being said about it. It may have escaped my attention, or it happened very quickly, or a mistake has been made. But this turns the agenda completely upside down. In the past the rule has been that items on which it has not been possible to conclude the debate are placed on the agenda for no more than two days later, not on Friday's agenda, as is now being done.

I request clarification of whether this is a mistake, whether this was the decision taken or whether this was done in such a way that Members might not notice.

President. — On page 20 of the minutes it says that the entry referring to the possible continuation of the previous days' agendas was to be deleted.

I call Mr Leonardi.

Mr Leonardi. — *(IT)* Mr President, yesterday, at the conclusion of an absurd sitting, it was decided — and you may correct me if I am wrong — that the debate on the competition policy would be continued today, as Mr Berkhouwer has asserted, immediately after the discussion of the budget. Today I see instead that the report on competition has been relegated to the next to last place on the agenda. I must point out, therefore, that today's agenda was not drawn up in accordance with what was said yesterday.

The debate on competition can either be concluded today, although in an unsatisfactory manner, or it can be postponed, as Mr Berkhouwer has requested. In this case, however, it should be postponed until January, or February, or March, or whenever seems best to you, but clearly and definitely, and not in this tentative and slipshod manner.

Mr Berkhouwer. — (NL) Until Monday of the January session:

President. — Item No 311 on today's agenda is the 'possible continuation of Monday's agenda'. I have just asked for comments on the minutes, but what I am getting is comments on the agenda.

I call Mr von der Vring.

Mr von der Vring. — (DE) Mr President, when you ask if there are any objections, you are in fact asking whether we should take a vote on this. I call for a vote on these minutes. I shall vote against because I do not consider the agenda they contain to be correct.

President. — I call Mr Gondikas.

Mr Gondikas. — (GR) Mr President, this is not the first time that there have been mistakes in the Greek version of the minutes. On page 20 today it is stated that I requested with other colleagues the withdrawal of Oral Question 1-865 and this is not correct. I asked the President yesterday for certain clarifications.

I repeat that this is not the first time that there have been mistakes in the minutes and I appeal to the secretariat to take care that the minutes are taken down correctly.

President. — The matter will be cleared up and you will be informed of the outcome.

(The minutes were approved)¹

2. General budget for 1982 — Supplementary and amending budget No 2 for 1981

President. — The next item is the joint debate on

— the report (Doc. 1-860/81) by Mr Spinelli, on behalf of the Committee on Budgets, on the

draft general budget of the European Communities for the financial year 1982, Section III — Commission, as modified by the Council (Doc. 1-826/81)

— the report (Doc. 1-858/81) by Mr Ansquer, on behalf of the Committee on Budgets, on the

Council's modifications to the amendments adopted by Parliament to

— Section II — Council — Annex: Economic and Social Committee

— Section IV — Court of Justice

— Section V — Court of Auditors

of the draft general budget for the financial year 1982

— the report (Doc. 1-857/81) by Mr Adonnino, on behalf of the Committee on Budgets, on the

draft supplementary and amending budget No 2 for the financial year 1981, Section III — Commission, as modified by the Council (Doc. 1-827/81).

I call the first rapporteur.

Mr Spinelli, rapporteur. — (FR) Mr President, it is my privilege to present to you the recommendations of the Committee on Budgets following its examination of the draft general budget as modified by the Council.

Our committee has formally noted and invites Parliament to take formal note that the Council, acting entirely within its powers, has fixed in the final instance the amount of expenditure that Parliament, Council and Commission regard as compulsory. The amount involved was 13300 million ECU, or 61.25% of the overall draft budget. Apart from a reduction of 33 million ECU, the Council has in actual fact confirmed the sums proposed by the Commission in its May preliminary draft budget.

The Council's preoccupation with budgetary restraint, which has been so clearly evident in its approach to expenditure in other chapters, might have persuaded it that, since May, there has been every indication of a significant decline in agricultural guarantee expenditure in 1982. The Commission must have informed it to that effect. However, that is how the Council has decided and we, anxious to abide strictly by Community law, have to submit to that decision. The Council also thought it could fix in the final instance those items of expenditure that it alone regards as compulsory: expenditure on fisheries, EAGGF Guidance, interest rebates, supplementary measures for the United Kingdom, loans, food aid, and also the reserve contained in Chapter 100, which includes appropriations the purpose of which is by definition undecided and discretionary, in complete contrast to compulsory expenditure as defined by Article 203 of the Treaty of Rome.

The Council knew very well that Parliament would never accept any limitation of its own powers and responsibilities by any unilateral and arbitrary decision of the Council, not of Council and Commission together. The Council has always acknowledged, by the very manner in which it has always expressed itself, that it does not have the right to act unilaterally

¹ *Membership of committees — Topical and urgent debate:* for these items see the minutes of this sitting.

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on this classification. And yet, despite urgent and repeated initiatives since 1977, it has always flatly refused to give any explanation whatsoever of its conception of the classification of expenditure.

Several resolutions on the budget, passed in the course of this year, a formal letter from our President dated 8 October, the unambiguous and carefully reasoned statements by our President and the Parliament delegation she headed, made in the context of the budgetary conciliation meeting of 24 November, were in effect invitations to the Council to draw up jointly with us and the Commission a classification of expenditure acceptable to all three institutions. The Council has on several occasions been advised by us in very clear and precise terms that we were even prepared to consider a provisional agreement just for this year. Let us not prejudice our future positions, but let us have an agreement, not a diktat. We have warned the Council that in the absence of such an agreement we could only accept as compulsory expenditure those items indicated as such in the three classifications of our three institutions.

The Council initially responded with silence, then by attempting to arrange discussions with its subordinate bodies, later still by informal exchanges of views over one or two good meals, and finally, during our last conciliation meeting, by a curt refusal to engage in any search for an agreement for the 1982 budget and by the promise, which is non-committal, of joining with us next year in searching for a solution for the 1983 budget. Meanwhile they invite us to stick to its classification until such a time as another one has been agreed.

Mr President, Members of Parliament, I have to weigh my words carefully, but the only word to describe the Council's attitude in assuming the right unilaterally to define, as it sees fit, powers that the fundamental laws of our Community give to us is 'arrogance' . . .

(Applause)

Having tried everything to persuade the Council to come to an agreement with our committee, I call upon you solemnly to proclaim, by voting for the resolution which I put before you on behalf of the Committee on Budgets, that our classification is the right and proper one and that, in the absence of any indication in our fundamental laws, the boundaries between the budgetary powers of the three institutions can only be determined with the free consent of the three institutions. Now, the classification of compulsory expenditure is the only way we have of influencing the shape of the budget through amendments and modifications and of determining the maximum rate. It is, in short, the only margin of manoeuvre that Parliament has.

If, after your vote next Thursday, the total amount of non-compulsory expenditure, resulting from those items common to the three classifications, does not

exceed the margin, then our President will have to conclude that our budgetary procedure has been completed and that the budget is adopted. By your vote on Thursday you will show and you will decide whether this Parliament is the living nucleus of the future true Parliament of the peoples of Europe or whether it is simply a talking-shop whose decisions are of no consequence.

Having thus placed the expenditure in its proper context, it became apparent to us that, despite the moderation shown by Parliament at the first reading, the Council has maintained at its second reading a highly restrictive attitude, which has incidentally resulted in three countries voting against the final draft. All we can do at our second reading is simply reinstate, in whole or in part, the amendments turned down by the Council. Our proposed increase in expenditure is but an insignificant proportion of national expenditure, that is to say 0.009%, or one ten-thousandth, of national expenditure, which rather makes nonsense of all this interminable talk of budgetary stringency: This reinstatement seems to us in any case necessary to achieve a more balanced budget, which is something that the Commission and the Council also claim to set such great store by.

In order to carry out this operation successfully, our committee proposes to keep Parliament within the margin, which will enable it to decide in the final instance and, even though we are saying here that the maximum rate and the margin, according to Article 203, are applicable only to expenditure, we recommend leaving this whole question to be settled at some later date and on this occasion remaining within our margin for both commitment appropriations and payment appropriations.

Our committee has accordingly drawn up a whole series of amendments with a view to reinstating 350.4 million ECU in payments and 371.8 million ECU in commitments. The total in commitment appropriations almost exhausts our margin and we do not want to exceed it, so in other words, by virtue of the relationship that exists between commitments and payments, the latter can use up no more than 78% of our margin.

The Committee on Budgets has had to make some difficult choices and several of the rapporteurs from the specialist committees have been none too satisfied with the outcome. I am not entirely happy with it either but I urge you nevertheless to follow our committee's recommendations and, if you do depart from them, at all events to remain within the margin; for if we go outside it we shall by our own law be held to a co-decision with the Council on the new maximum rate and we shall then be at the mercy of the Council and forced to accept whatever hand-outs it may condescend to give us. If, on the other hand, we stay within our margin, then within four days we shall be able to present the Community with a budget,

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totally inadequate perhaps, but one which will show nevertheless that we have the will to follow through with certain priorities in the sphere of social, regional and cooperation policy, which will keep borrowing and lending policy under Parliament's control and will show above all that this Parliament observes the laws of the Community and demands therefore that its decisions be respected.

President. — I call the second rapporteur.

Mr Ansquer, rapporteur. — (FR) Mr President, I shall devote my initial remarks to the budgets of the Council of Ministers, the Economic and Social Committee, the Court of Justice and the Court of Auditors and I shall end my speech with two important observations in connection with the budget of the European Parliament.

In the course of our last budget part-session you accepted the majority of the amendments relating to the budgets of the institutions. In so doing you took into account the observations of the Committee on Budgets, which considered that we had both to answer the needs of the Council of Ministers, the Economic and Social Committee, the Court of Justice and the Court of Auditors to enable these institutions to continue to function normally and at the same time to respect the need for budgetary stringency, which applies in all our countries. With this in mind, the Committee on Budgets wanted to put forward a number of compromise solutions. In spite of that, the Council cut all our proposals by half without, I am bound to say, offering any justification other than their interest in budgetary restraint. It is this that has led your rapporteur and the Committee on Budgets to resubmit the amendments that you adopted at the first reading. I hope therefore that you will support the Committee on Budgets' stand when you come to vote on Thursday in order to demonstrate once again, not only your determination to assume responsibility for the smooth functioning of these various institutions, but also, I repeat, to show proof of a budgetary restraint that is applicable to all.

As regards the budget of the European Parliament there are two main observations that I should like to make:

In the first place, I believe it is necessary — and at the same time gratifying — to acknowledge that the Council has observed the 'gentlemen's agreement' that exists between our two institutions. It has not modified in any way either our own draft budget or our amendments. I must say that it is particularly gratifying to the rapporteur to be able to record this fact and it is to be hoped that this spirit of cooperation will prevail throughout the budgetary procedure.

My second observation concerns the decision which we took in relation to the special reserves. You will recall no doubt that Parliament transferred the special reserves to Chapter 100, and it did this in order to be able better to monitor the utilization of appropriations allocated to them. However, this decision could very well give rise to some problems in the payment of certain types of expenditure and I am very much aware of the importance of our not interfering with the normal functioning of our institution, by which I mean that the European Parliament must not gain a reputation among all its suppliers of being a bad payer. That is why, Mr President, I intend submitting at the next meeting of the Committee on Budgets a provision which would, I believe, overcome such difficulties. This provision would ensure that the institution would have at its disposal on 1 January enough funds to enable it to meet expenditure that it may have to incur at the beginning of the year, while at the same time keeping our general provision giving us very effective control over the utilization of appropriations entered in Chapter 100.

Those then are the very general remarks I wanted to make in connection with this second reading, and I would simply repeat the wish that I have expressed on more than one occasion, namely that our institutions may indeed be given the financial and manpower resources they need to be able to fulfil their allotted tasks in our Community.

President. — I call the Council.

Mr Ridley, President-in-Office of the Council. — Mr President, Members of the European Parliament, I had the greatest of difficulty in digging myself out of the snows of western England and it was only by hard work and good luck that I was able to get here at all. I hope I may have a warmer reception than I got at home from the snow, now that I have the privilege of addressing Parliament on behalf of the Council.

(Laughter)

I have a double task today. First I must present to the House the conclusions reached by the Council on 23 and 24 November when we considered the amendments and modifications to the 1981 supplementary budget and the 1982 budget.

My second task is to comment on the recommendations placed before the House by your Committee on Budgets, and in particular your rapporteur, Mr Spinelli, for the vote on Thursday. And may I say to Mr Spinelli that I am deeply apologetic for having missed the beginning of his opening speech this morning, but I was engaged in a conciliation meeting with the President of Parliament.

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Now, Mr President, the Council meeting on 23 and 24 November followed the precedent set by the British Presidency in July of having a two-day session. On the first day, as you will recall, the Council had a full and open discussion with the delegation from Parliament both on the budgets immediately under consideration and on the wider issues which arise in the budgetary field between our institutions. I think all of those who were present will agree that the discussion was both useful and interesting.

The discussions within the Council itself on your amendments and modifications were once again lengthy and arduous. We have set out the major points and the political background to them in the paper attached to the usual Council documents. I will not repeat here everything said there, much of which I also mentioned when I appeared before your Committee on Budgets on 25 November.

I must emphasize once again that one of the overwhelming preoccupations of the members of the Council was that many of us are having severely to constrain national expenditure in the current climate of austerity. I am aware that Members of this Parliament will reply that you are pressing for a transfer of expenditure from national budgets to the European Community budget. However, many of your amendments would involve extending existing European Community programmes rather than replacing national ones. Furthermore, increases in European Community programmes usually require additional national expenditure.

If we increase public expenditure overall, either nationally or at the European Community level, the results are all too apparent: more taxation or more borrowing, the damaging consequences of which can outweigh the benefits of the increased expenditure.

I now turn to the detailed conclusions of the Council. Perhaps I could start by referring to the question of social measures in the steel sector. The Council recognizes the importance you attach to including provision for this in the budget. Although the method of financing these measures has not yet been settled, the Council will agree to increase the maximum rate for 1981 by 62 million ECU in the expectation that you will maintain your amendment:

On the other items in the 1981 supplementary budget, the Council followed the initiative taken by the House on additional aid to Poland by setting aside 10 million ECU from within the agricultural section of the budget for this purpose. The Council agreed with Parliament that additional aid was desirable, but in view of recent moves the Community, and in particular Parliament, as I am sure you will agree, must now take stock of the situation before further action is taken.

As far as Parliament's third amendment is concerned — that is that relating to special food aid for the least-developed countries — I think the Council's view on the need for a legal basis is well known and I will not dwell upon it. I do not think, however, that this dispute should be allowed to get out of proportion. I hope each institution will be able to maintain its point of view without jeopardizing the fundamental objective of securing this special assistance to the world's poorest nations. Because of the importance of that aim, I hope that we shall be able to reach agreement on all outstanding items, so that the 1981 supplementary budget can be adopted soon after your vote on Thursday.

On the 1982 budget, I should like to begin with agriculture. The House will be pleased to note that a number of its proposals for changes in agricultural expenditure were accepted by the Council. In particular, we accepted the proposal to reduce by 33 million ECU appropriations for skimmed milk powder for calf-feed. We also accepted several proposals to transfer sums from the line into the reserve Chapter 100. On monetary compensatory amounts, the Council discussed at length the proposal put by the Parliament to delete entirely the sums originally entered in Chapter 100 to reflect the consequences of recent monetary changes. We concluded that an amount of 150 million ECU, rather than the original 372 million, should be entered in the MCA chapter. I am glad to say that this result, which stems from Parliament's initiative, has been welcomed by many members of your Committee on Budgets.

On food aid, Members of the House will be aware of recent reports of the Court of Auditors which have been very critical of the Community's food-aid programme, in particular by casting doubts on the products used, their quality and the arrangements for final delivery. Many delegations feel that the Community's food-aid programme needs to be very seriously re-examined. Nevertheless, we were able to agree to provide an additional 15 million ECU in the reserve chapter for use after further decisions on food-aid programmes.

I will not go into all the details of the Council's decisions in the non-compulsory sector of expenditure. As our reports show, the Council accepted parliamentary proposals, either in whole or in part, over a wide field of expenditure, including energy, the environment, information and technological innovation, as well as research.

I would like briefly to mention three specific points: the first two concern the Regional and Social Funds, to which Parliament has traditionally attached very great importance. The Council endorsed the view that as much of the available resources as possible should be concentrated on these two funds. I think everyone will agree that we have made Herculean efforts to protect these Funds from the effects of budgetary

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stringency. I know that Mr Tugendhat dislikes the use of percentages when looking at the Community budget, but I hope that even he would concede that the figures for the Regional and Social Funds represent a considerable effort on the part of the Council. For commitments, we have increased the Regional and Social Funds by some 14 and 22% respectively over the levels in 1981. For payments, the figures are even larger, at 27.5% and 38% respectively.

The third specific area I wanted to mention is the provision for housing in Northern Ireland, to which I know many in this House attach great importance. Several delegations in the Council share this view, but since there is no agreement yet on the Commission's specific proposal, which we have only just begun to consider, the Council was not able to enter appropriations in the budget at this stage. We agreed, however, to draw the necessary budgetary consequences as soon as decisions on the Commission's proposals were taken.

As a result of its decisions, the Council agreed to propose a new maximum rate for payment appropriations of 22.8%. Given the background of austerity to which I referred earlier, I hope Members will agree that this represents a considerable increase. It should be regarded as indicating a positive approach to the closing stages of the budgetary procedure.

Before I come on to commenting on the effects of the Committee on Budgets' recommendations on those closing stages, I should first like to say a word about the classification of expenditure. Classification has proved to be one of the major themes of the 1982 budgetary dialogue. As I promised the House in November, I reported to my colleagues the very great importance attached to this subject by your House. We discussed it with your delegation on 23 November, and we discussed it also within the Council on 24 November. I am glad to be able to report that although the Council sticks firmly to its classification of expenditure, which it regards as fully justified by the provisions of the Treaty, we have agreed that there should be discussions between our institutions and with the Commission with a view to attempting to agree on classification. We suggested that these discussions should take place early in the New Year, with a view to arriving at definitive conclusions before the beginning of the 1983 budgetary procedure. Although it may seem to some that an offer of discussions is not very substantial, I would like to stress that this is the first time that the Council has agreed to discuss the subject of classification with the other institutions. I would hope, therefore, that you do not act in such a way as to make it difficult for the discussions in the first half of next year to proceed on a harmonious basis.

Mr President, this brings me to my comments on the recommendations of your Committee on Budgets. These are that you should vote on Thursday to restore

to the 1982 budget some 370 million ECU in commitments and 350 million ECU in payments over and above the figures agreed by the Council on 24 November. I am bound to say that proposals to enter sums of this order create precisely the danger which I warned against in my speech here in this House early last month, that the gap between the Council and yourselves could become so large as to be unbridgeable. I am sure that none of us wish to see another budget which gives rise to disputes between our institutions. I shall certainly be doing my best, as representative of the Council, to try to avoid such a result. I hope that the representatives of your institution will do the same.

Before concluding, I should like to make a specific comment on the way in which the Committee on Budgets has arrived at the figures which it is recommending to the House. Despite the genuine offer by the Council to discuss the question of classification in the first half of next year, the Committee on Budgets is recommending that Parliament should unilaterally adopt your classification for 1982. It is this unilateral adoption which gives rise to the possibility of entering figures as large as those recommended by the Committee on Budgets.

I do not wish, nor do I have a mandate from my colleagues, to discuss the detailed points where your classification differs from ours, but I would like to mention one very specific point where I submit that the classification recommended by the Committee on Budgets cannot by the wildest stretch of the imagination be regarded as soundly based. This is the doctrine that any expenditure entered in the reserve chapter must be regarded as non-compulsory. I would submit that whatever one's view on the correct classification of the basic expenditure — and I would allow that it is possible to have different opinions — it cannot be right that an item of expenditure which is classified as compulsory under the Treaties should become non-compulsory when it is placed in a reserve chapter.

Perhaps I can illustrate this by reference to the specific point which is at issue in the present draft 1982 budget. This is the classification of monetary compensatory amounts. All three institutions, including yours, accept that that expenditure is compulsory. The Commission and the Council consider that it remains compulsory whether it is entered on the line or in the reserve chapter. Your Committee on Budgets, however, maintains that expenditure on monetary compensatory amounts becomes in some way non-compulsory by the simple fact of transferring it from the budgetary line to the reserve chapter.

It seems to me that there is a philosophical error in this reasoning. It is true that expenditure placed in the reserve chapter cannot be incurred until it has been transferred out of the reserve chapter. In that sense, the expenditure is not inevitable. But that is not what classification is about. Classification is simply an

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attempt to categorize expenditure by type into that expenditure which results from the Treaties and acts adopted in accordance with the Treaties and that expenditure which does not. I think it is manifestly wrong to maintain that MCAs and other agricultural guarantee expenditure result from the Treaties when the expenditure is placed on the line but do not result from the Treaties when the expenditure is placed in the reserve chapter.

To many of you, what I have just said may sound rather arcane and unrelated to the 1982 budget, but I assure you that that is not the case. The argument put by the Committee on Budgets, namely, that you are entitled without further action from the Council to reinstate amendments which the Committee on Budgets has proposed, rests crucially on this question of the correct classification of amounts entered in Chapter 100. If you were to follow the Commission and Council approach here, the amounts to which you would regard yourselves as entitled would become just 49 million ECU in commitments and 123 million ECU in payments, compared with the margin calculated by the Committee on Budgets of 374 million ECU and 448 million ECU respectively.

I should say, of course, that the Council's view remains that your margin was used up as a result of our meeting on 24 November. Anything extra is subject therefore to a further Council decision on the maximum rate, but I approach the closing stages of the budget procedure in a spirit of compromise. No one wishes to see the 1982 budget disappear in a fog of interinstitutional dispute. I hope the spirit of compromise with which I shall approach our further discussions will also prevail in this House.

Mr President, the British Presidency has tried hard to demonstrate the importance it attaches to relations between the Council and Parliament. Tomorrow's address by the British Prime Minister is another example of this approach. During the budgetary procedure we have tried hard to maintain the dialogue between our institutions. Nothing could do more harm to the prospects we now have of a better and more productive relationship than a row about the 1982 budget. I am confident that all concerned will reflect very carefully on the possible damage before they launch themselves on a collision course and I look forward now to the adoption of an undisputed budget for 1982.

President. — I call the Commission.

Mr Tugendhat, Vice-President of the Commission. — Mr President, I must say that the proceedings this morning are moving with a commendable celerity and I will try to maintain the pace of the advance. Like the President-in-Office of the Council, I will also deal with both the 1981 amending budget and the 1982

budget. I realize that from the parliamentary side they are being separated, but I think it would save time and provide more opportunities for Members if, like the President-in-Office of the Council, I were to deal with them both simultaneously.

I will take the amending budget first. As far as that is concerned, Parliament's Committee on Budgets is recommending that Parliament reconfirms the amendments adopted in November. These concern an additional 10 million ECU of assistance to Poland, social measures in connection with the restructuring of the steel industry and exceptional aid to the least-developed countries.

As to Poland, I think all our hearts and minds must be with the Polish people today and I wish we had more information about what is happening. The news which we are getting is very sketchy, but certainly it seems to be very bad news for those who believe in freedom and democracy and the right of free expression. Clearly this Parliament will hold to the view that it has always held that freedom and democracy and the right to free expression should be encouraged and sustained. However, as the President-in-Office of the Council said in his opening remarks, it is very difficult for us to take any new decisions at this stage. This is a moment, I think, when one has to wait on events. Now let me tell you what the Commission has done, and I think you will feel that we have tried as far as we can to reflect Parliament's wishes, but it is hard to go further than that at the moment.

Parliament wanted 10 million ECU over and above what Poland would have received, had Parliament not taken an initiative. Now Parliament wanted the money in Article 950, and it also stipulated — perhaps indicated would be a better word — that the money should be used for transport. We fought hard to get it in Article 950, but it was quite clear that we were not going to get the agreement of the majority in the Council to that proposition. As to how the money should be spent, I clearly remember in the conciliation procedure a representative on the parliamentary side saying that the important thing was to get the money on the line rather than it being spent on one thing or another. Our contacts with the Poles, certainly with the Polish authorities, have established clearly that for them the first priority was that the money should go on beef, and 8 000 tonnes of beef are, in fact, the way in which this idea of Parliament is being implemented. I do emphasize that this was on the advice of the Polish authorities, and I think that in a matter of this kind it was important for us to be guided by the needs on the ground. I would like to emphasize that the Commission has done its best to realize Parliament's objective and to do so as rapidly as possible, as well as in the manner that appeared to be most welcome to the Polish authorities.

Mr President, on the subject of the special contribution from the EEC budget to the ECSC budget for

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temporary social measures in connection with the restructuring of the steel industry, Parliament knows the Commission's view. We have always regarded the social measures for steel as being a matter of the very highest priority, both politically and in terms of the steel reorganization plan and, of course, because it is something to which Parliament too has attached importance. We are therefore very glad that the Council has taken the decision to inscribe a sum of money in the amending budget, and we trust that the Council will now take the necessary legislative steps to ensure that the money can be spent without undue delay. We have not made as rapid progress on this point over the last few months as we would have liked. We have not got as far as we would have liked, but I think Parliament as well as the Commission can take a certain satisfaction from the fact that at the last moment money has now at last been inscribed in the budget for the social measures for steel. That is something for which all of us have fought for a very long time.

The third point concerns the exceptional food aid for the least-developed countries. The Commission is pleased that both halves of the budget authority, Parliament and Council, now take the view that the 40 million ECU should be made available. What really matters at this stage and for an initiative of this importance is that the appropriations should be committed as soon as possible, and that is certainly what we will endeavour to do.

Mr President, I now turn to the 1982 budget. When speaking in this Chamber on the draft budget for 1982, the Commission made two points in particular which I should now like to recall. One concerns the need for the two halves of the budget authority to work together towards achieving what the Commission considers to be the highest priority, namely, the adoption by the end of the year of the *right* budget for 1982. I do emphasize the adjective. I suppose it certainly is not going to be right in the sense of being ideal or fulfilling all our desires, but right certainly in the sense of being the best that is available in all the circumstances. That has been one objective.

Our other objective was to ensure that the work on the ongoing problems like classification and so forth should be set properly in train, so that there could be no backsliding in the future. I know that Parliament is worried on the basis of experience that when something is not settled at the time of the budget procedure, then it tends to get lost until the next budget procedure. I can well understand that fear, and that is why we have also been very anxious to ensure that matters which were not settled now should be properly in train during the next six months under the new presidency. The Commission considers that these objectives are still of the highest priority, and it is with them in mind that we shall be contributing to the final stages of the procedure during the remainder of this week leading up, we hope, to the adoption of the budget on Thursday.

As I look at the draft budget before the House, Mr President, it seems to me that though there are still areas in which we would certainly like to see improvements — and I will turn to them in a few moments — and areas in which we would have to express some disappointment with the progress that has been made, we can also say that there is no doubt at all that there have been significant improvements since the draft budget in July. Compared with the draft budget established on 24 July, I think that what is now before the House is certainly very much better. For example, the share of the structural Funds in the current draft, expressed in terms of payment, is just over 12.25%, whereas it was just under 10.25% in the July draft. In terms of commitments the situation reflects a similar development. For research, energy and industry the appropriations, in terms of share in the budget for both commitments and payments, have increased not only relative to the first draft that emerged from the Council but also quite appreciably in relation to the 1981 budget. Consequently the shape of the budget, even in terms of the current draft, is certainly developing in the right direction, and I hope that a further shove can be given to that process during the days ahead.

The draft, of course, still falls short of the requirements the Commission considers appropriate, and we are worried about the fact that we have not got more, for instance, in some of the social areas. However, we are within touching distance of the best that is available in present circumstances, and I am sure that the efforts which Parliament and the Council and ourselves will be making in the next few days should be sufficient. I hope they will be sufficient to bring about an agreed solution at the end of the week, a solution which we can use as the basis for moving forward next year.

Reference to next year brings me to the mandate. Everyone, I think, recognizes — and certainly Parliament has emphasized this on more than one occasion — the crucial importance of the follow-up work on the mandate. I recall in particular in that connection the resolution adopted by Parliament on 17 September on the presentation of the 1982 draft budget. The resolution reflected to a certain extent the very active discussion that took place, both in this Chamber and in many of the committees, leading up to Parliament's first reading of the budget.

Today, at this relatively late stage in the budget procedure, it is possible that comparatively less attention will be given to the mandate than to the figures. There should be nothing surprising in this, because the main task before us now is to endeavour to finalize the 1982 budget. What is, however, important is to realize that *all* the institutions have a considerable responsibility to provide favourable conditions under which important decisions flowing from the mandate may be taken, which the Commission hopes will happen early in 1982.

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The important work which must take place on the mandate would, of course, be seriously interrupted if there were an interinstitutional dispute over the present budget. In the absence of an interinstitutional dispute over the present budget, we certainly would hope, as I have said many times before, to see proposals coming forward which can be embodied in the 1982 budget with a minimum of delay, without having to wait for 1983. I know this is a matter to which Parliament attaches great importance, and I think that the views of my institution and those of Parliament are now very close indeed on this matter.

Where, of course, there is difficulty, and the President-in-Office of the Council has referred to this in his speech, is over classification, in other words the obligatory or non-obligatory nature of expenditure. This is a very important matter, though I recognize that it is one which those who are not directly involved in budgetary affairs sometimes have some difficulty in following. The Commission regrets that agreement has not been reached on what has for so long been a cause of dispute. The House is well aware that different views are held by each institution on classification. The Commission's position lies somewhere between that of the Council and Parliament and, like the Council and Parliament, we believe that our position is justified. I think it is important that this matter should be dealt with very seriously during the examination which will take place in the first months of this year.

So that there can be no misunderstanding later on, I would like to be frank with Parliament and say that the Commission — I regret this, because I do not like to find myself on the opposite side of an argument with Mr Spinelli — cannot support the view which has been expressed in the Committee on Budgets to the effect that all credits in Chapter 100 should be regarded as non-obligatory, irrespective of the classification of the appropriations on the line to which they relate.

In the Commission's view — and I have to state this as clearly as possible because I would not like there to be any misunderstanding — that interpretation is erroneous in both legal and practical terms, and it therefore follows that the Commission would have very great difficulty, indeed, to be frank, would not be able to support a tactic which seeks to boost Parliament's margin of manoeuvre by a device such as this. We do attach, as I think the House knows very well, the greatest importance to widening Parliament's influence and powers, we do attach the greatest importance to ensuring that Parliament has the greatest possible say in the budget procedure, but I think that, where we do have a difference of view, it is important for me to state it and I think it does no service to the Community if an extension of powers is effected on a weak basis rather than a strong basis, because, in essence, if it is on a weak basis, then it is unlikely to be sustained. That is our view on that point.

There is another view concerning classification to which attention should also be drawn, which is that the Treaty delegates to neither half of the budgetary authority the right to take unilateral action. Indeed, this point is made in paragraph 6 of the joint motion now before the House, which recognizes that no institution can unilaterally modify the competences of the others. The decision on classification, unless recourse is made to the Court of Justice, may only be taken on the basis of agreement between the institutions, and for that reason therefore a dialogue is of the greatest importance in the coming months.

Apart from classification, on which I hope significant progress can be made during the Belgian Presidency in the first six months of next year and before we get down to the 1983 budget procedure during the Danish Presidency, I would like to say a word about our priorities. I will not go into great detail, but, just so that there can be no doubt in the matter, I would like to mention in terms of our priorities the Social Fund and the need to ensure that in this area the Community has an instrument which is capable of providing realistic support to those sections of our society that are suffering most grievously from the present recession.

I would like to mention the finance for temporary social measures in connection with restructuring the steel industry, which I already discussed in relation to the amending budget. The increase by 62m ECU in the 1981 budget and the corresponding increase in the maximum rate in the 1982 budget should allow room for inscription of the 50m for 1982. I would like to emphasise that the social measures for the steel sector remain, as always, one of our principal political priorities.

I would like to mention the Regional Fund. Here, of course, there is a disagreement between ourselves and Parliament, because we do not agree with the point that Parliament has made about inscribing part of the appropriations in Chapter 100. This, in our view, would simply have the effect of holding up the implementation of the Regional Fund with all the difficulties that that will create for the recipients throughout the Community, and I think perhaps there are some people in this Parliament who agree with our point of view on that.

I have mentioned several times before a relatively small item in terms of expenditure, but a very big item in terms of political importance, and in terms of, if I may say so, the human condition in one of the more unhappy regions of our Community, and that, of course, concerns the integrated operations for housing construction in Belfast. Parliament, which initially put forward the resolution adopted by Members from all quarters of the House, by Members from both parts of the island of Ireland, by everybody in fact who had any interest at all in the area, whether British or Irish, Northern Irish or from the Republic, was unanimous

Tugendhat

on this. We did bring forward a proposal which reflected that sentiment, and I hope very much that Parliament will continue to sustain housing for Northern Ireland. Certainly we shall, and certainly I shall.

On the subject of transport infrastructure, the Committee on Budgets is recommending 10m ECU in Chapter 100, and again I would like to say that the Commission will do all in its power to persuade the Council to adopt the necessary legislation. Obviously as long as the 10m ECU is in the budget without the Council decision, it would certainly not be possible to do anything with it, but I do emphasize that we continue to attach importance to transport infrastructure and plans, and ideas such as that of the Channel tunnel, a subject to which I too attach very great importance.

The Computer Centre operations which benefit all the Community institutions and Community Member States are another point which I could mention. I would also like to say a word about energy projects in developing countries, and here I would say that Parliament, by putting 10m ECU in commitments, is going too far, not because this is an unimportant subject — it is an important one — but because at this early stage it would, I think, be more practical to have a more modest sum of money in commitments matched by an equal sum in payments, and 2m ECU in payments and commitments at this stage of the game would, I think, be quite sufficient.

I hope very much that so far as the presentation of the budget is concerned, and the way in which it is set out, the Council will not raise new objections in order to frustrate the implementation of what, we believe, has been a useful new initiative on our part.

In regard to borrowing and lending, the Commission notes the fact that the Council has once again rejected the proposal to create a second part of the budget to cover borrowing and lending operations. I know that Parliament has strong and longstanding views on this matter, and the Commission still maintains its opinion that our proposed presentation is desirable, and we will support Parliament in discussions which we hope will take place and which are indicated in paragraph 9 of the motion for a resolution on this question involving the three institutions.

Now, Mr President, before concluding, I would like to mention staff. The Commission is no longer responsible for staff in the Commission, but it remains an important subject. The Commission is particularly grateful that the Committee on Budgets and, in particular, the rapporteur have made the recommendations which they have made concerning staff. The committee has recognized and acted upon the Commission's well-reasoned case. Although in terms of numbers the committee's recommendations fall short of our request, they do at least represent real

progress in providing additional staff, which will be most valuable in assisting the Commission in the discharge of its work and in ensuring a dedicated staff with more reasonable career prospects. The Commission would also like to see some attention given to the Joint Research Centre staff, a point which Mr Adam raised very passionately in the Committee on Budgets last month. We will examine whether and how this can be done whilst respecting the decisions proposed by the Committee on Budgets.

My concluding remarks can be very short. The Commission has made its views on the priorities for 1982 clear. In order to enable the draft now before the House to fulfil what, in the opinion of the Commission, should be the essential role of the 1982 budget, certain improvements still have to be made. The Commission hopes that, over the next day or so, the views of the two halves of the budgetary authority will be reconciled through discussions in which the Commission will play its full role in order to secure the timely adoption of an undisputed budget. It will be the first time since the last Belgian Presidency that such an achievement has been secured, if indeed it is secured, and I would like to say that the Commission will certainly lend its best efforts to Parliament and to the Council in order to try and bring about a solution, which I think on all sides is devoutly desired.

President. — I call the third rapporteur.

Mr Adonnino, rapporteur. — (IT) Mr President, ladies and gentlemen, the unusual procedure which calls upon the rapporteur only after the representatives of the other institutions have spoken has at least the advantage of allowing Parliament to be acquainted with the views of these representatives before forming its own opinion. Normally it is the opposite which occurs.

Ladies and gentlemen, on the subject of the supplementary and amending budget No 2 for the 1981 financial year, I had referred in my report on the first reading to the political importance of the basic problems arising from the day-to-day administration of the Community's financial resources and their optimal utilization under the present policy of own resources.

As you will remember, on the first reading Parliament adopted three amendments, whose content was mentioned a short time ago both by the President-in-Office of the Council and by Commissioner Tugendhat.

One of these amendments sought to reinstate 62 million ECU earmarked for social measures for the steel sector; another concerned the disbursement of 40 million for food aid to the least developed countries, and the third called for the granting of emergency aid to Poland and was particularly aimed at covering the expenses of food transportation.

Adonnino

In regard to the 62 million for social measures for the steel sector, the Council at first rejected Parliament's amendment — according to the official communication we have received — reserving the right to make another decision, as has been done on other occasions when the payment of national contributions was in question.

I understand — even though Parliament has not yet received any official notification — that this stumbling-block has been removed and that therefore this appropriation will be entered in the budget. If this is indeed the case, I can only express Parliament's satisfaction, for with the inclusion of this item we reach the overall figure of 112 million, which is in line with the correct figure worked out some time ago by both Parliament and the Commission.

If this news is confirmed — as I understand that it will be — Parliament's amendment will become superfluous and there will be no need to vote upon it. The Bureau will go into this procedural aspect of the question at the proper time.

Concerning the amendment seeking an appropriation of 40 million ECU for aid to least developed countries, Parliament is of the opinion that such expenditure is of a non-compulsory nature and that it can therefore be immediately effected by the Commission.

The Council does not agree. It holds that a specific regulation is necessary. Having pointed out that it had asked Parliament for its opinion, it has gone so far as to threaten to ask for an extraordinary part-session.

This is a question of principle which should not be raised here, and frankly we do not understand this insistence on the part of the Council. After all it is a matter of making aid available immediately, aid which is supported by all three institutions. In any event, with the intention of showing our good will towards all endeavours to overcome the difficulty, we stress in the relevant paragraph of the resolution which I am presenting on behalf of the Committee on Budgets that if the need arises Parliament's opinion could be submitted simultaneously with the adoption of the motion for a resolution and of the supplementary and amending budget.

The third amendment, made even more imperative by the dramatic events which have taken place in Poland over the last few days, concerns aid to this country. It was Parliament that took the initiative on this issue, and the Council was in agreement.

Once again, however, the Council is digging in its heels on its own different view of the way in which the expenditure should be made and proposes that instead of including this expenditure in the appropriate line of the budget, which is what we would wish, use should be made of the appropriations already to hand in the EAGGF Guarantee Section.

In a matter of such importance, the political significance of which is outweighed by its humanitarian aspects, it would be absurd to quibble over minor legal points. The Committee on Budgets decided to table the amendment again, for we want this aid to be promptly and efficiently granted and we fear that the means chosen by the Council will be inadequate for the task. In fact, the use of the EAGGF Guarantee Section to give price discounts cannot, in our opinion, be effective in the granting of this type of aid, which should consist in the delivery of a certain amount of beef free of charge.

While noting the intention expressed by the Polish Government to do something itself about meeting the cost of transport, we have also stressed the importance of the Community's granting financial aid to cover the cost of transporting the food.

In the interval of time since the most recent events the Committee on Budgets has not yet had time to state its views on this important and delicate question. It should be stressed here that we are dealing with aid which is basically humanitarian in nature and directed at saving lives — quite different, therefore, from aid granted in order to solve general economic problems. In any event, I hope that we receive further information on what is happening in Poland before we take the final vote, and above all that this information will be reassuring. It will be the task of the political groups to decide upon the approaches to be adopted.

As rapporteur for the Committee on Budgets, I wish to make it clear that on such an important and delicate issue we cannot hide behind petty legal disputes; we must choose the broadest way, the only one which allows us to leave this Parliament with our heads held high, and accept this small supplementary entry in the budget. The 62 million for the steel industry was accepted; let us make another effort to find this 10 million ECU for Poland!

These are the considerations, at times admittedly rather difficult, which led the Committee on Budgets to insist on its position. I therefore invite Parliament to follow its lead when the vote is taken, bearing in mind the explanatory comments I have just put before you.

(Applause)

President. — I call the Council.

Mr Ridley, President-in-Office of the Council. — Mr President, to comment very briefly on what Mr Adonnino has said, I would like to make it clear — because I think that there is some difference between us — that in the question of the financing of the social measures for the steel sector Parliament's amendment should not just be allowed to fall. Although the method of financing these measures has not yet been settled, the

Ridley

Council is prepared to increase the maximum rate for 1981 by 62 million ECU on the assumption that Parliament will maintain its amendment. So we must get the procedure clear.

President. — I call the Committee on Energy and Research.

Mr Adam, draftsman of an opinion. — Mr President, I apologize for the croaky nature of my voice. I hope it does not detract from the case that I am about to present on behalf of the Committee on Energy and Research.

I must say that the Council's second reading of the budget was an extreme disappointment to my committee. There is no evidence that the Council sees a real role for the Community in developing energy strategy. The Council was very quick to accept our proposals for a cut of 3 million ECU in technical research in the hydrocarbon sector and very kindly increased the demonstration project lines in new energy sources and energy saving by a similar amount; but the net result was that there was no increase at all in the energy part of the budget. In research, the Council has allowed an additional 1 million units for textiles; in information and innovation, it has agreed to an additional 1.85 million units, and it is a crumb of comfort, although a very small crumb indeed, that in this sector the Council has shown some willingness to face its responsibilities.

During the discussion of this budget, I drew the attention of my colleagues in the Committee on Energy and Research to the declining percentage of the non-compulsory portion of the budget being devoted to energy and research. This percentage continues to decline.

Turning to the situation now facing Parliament, I have to be quite frank about two things. First, given the existing legal basis for expenditure, there is no possibility of effective Community support for an energy strategy. Second, Parliament, at its first reading, failed to support the relatively token gestures, in monetary terms, that the Committee on Energy and Research had requested. I refer particularly to the coal package and the proposals to stimulate energy investment. It is now up to the Commission to take up this deficiency, and when one takes into account their recent document entitled 'The Development of an Energy Strategy for the Community', there must be grounds for at least some optimism.

Parliament is therefore left with very little scope for improving the 1982 budget so far as energy and research is concerned. The committee is resubmitting about 75% of the total amounts which Parliament approved and the Council rejected. An additional

7.31 million units is sought for demonstration projects, and this is the only item on the energy side. On the research side, the committee requests an additional 1.5 million units for research programming, 2 million units to conclude the existing research in primary raw materials, 3.273 million units for the new programme in primary raw materials and 0.977 million units for the environmental (indirect action) programme. Amendment No 84 to Article 933, providing funds for energy programming for developing countries, is of particular importance: the amount concerned here is 1.5 million units, and without this provision this important work in the Commission will cease. I am pleased to be able to tell the House that all these proposals from the committee have had the support of the Committee on Budgets.

I have one further point to make. As the spokesman for the Committee on Energy and Research, I have attended every meeting of the Committee on Budgets since August. I have to say that in my opinion the views of the specialist committees do not receive adequate consideration. Parliament is operating the system more like a lottery than as a reasoned assessment of Community spending priorities. Our budgetary procedures must be modified if Parliament is to make constructive use of its budgetary powers.

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 once again proposes to Parliament all the amendments relative to the Social Fund and to the ECSC social measures. These amendments were approved not only by the Committee on Social Affairs but also by Parliament itself on the first reading, and this by a considerable majority.

I remember what we said regarding the seriousness of the employment situation, and this theme was also stressed by Commissioner Richard in a recent meeting of the Committee on Social Affairs. The Commissioner invited the Committee to consider the need to take intervention measures and also preparatory steps with a view to amending the Social Fund regulation before the end of the 1982 financial year. This would be aimed at preparing the conditions for coordinating professional training with investments for new technologies, particularly in reference to technical progress, Article 4 'Youth' and Article 5 'Regions'.

In this spirit the Committee on Social Affairs repropose these amendments having to do with what was either rejected or only partially accepted by the Council on the first reading. I am obliged to say that the situation we outlined on the first reading has not improved; on the contrary, conditions have become slightly worse.

Barbagli

The European Parliament responded positively to the proposals made by the Committee on Social Affairs, and I should add that the Committee on Budgets gave its approval, also by a large majority, to the proposals made by the Social Committee, on the strength of the favourable opinion of Mr Spinelli, the rapporteur. We do not see that any changes have taken place to cause Parliament to adopt a different attitude today.

I wish to point out here that the total sum represented by the amendments proposed by the Social Committee is, for commitments, 236 000 000 ECU for the Social Fund and 50 000 000 ECU for the ECSC social measures — the latter, I repeat, having been approved by Parliament on the first reading — and for payments, 101 000 000 ECU for the Social Fund and 50 000 000 for the ECSC social measures.

When the Committee on Budgets, foreseeing the possibility that all the financial commitments provided for in our amendments might not be met, asked us for our opinion regarding eventual priorities, we replied that the European Social Fund had priority in its totality, as is in fact demonstrated by the number of outstanding demands on the various chapters of this Fund.

Subsequently, the Committee on Budgets found itself faced with the problem of parliamentary margins. These margins must be taken into account, as much from the legal as from other viewpoints. Precisely in order to meet the arguments raised by Mr Spinelli, I took it upon myself to accept, on behalf of the Committee on Social Affairs and in view of the priorities indicated today by the rapporteur, a reduction from 236 000 000 ECU to approximately 100 000 000 ECU, with the proviso that this reduction be effected proportionally in the various chapters of the Social Fund, for we repeat that we hold the Social Fund to have priority in its totality.

Today, therefore, we are considering the amendments presented by the Committee on Budgets as if they were amendments from the Committee on Social Affairs, for we too understand how important it is to win this battle within the margins indicated by the rapporteur.

I will not take up time in explaining the individual amendments, because they have already been studied and evaluated by this Parliament and because they will also be made available to the parliamentary services. I do wish to underline one aspect of the general problem, especially after having heard what was said by the President-in-Office of the Council and Commissioner Tugendhat: the issue of the parliamentary margin is a political rather than a legal problem.

This Parliament has many times issued clear statements regarding its position, and it has, with large majorities, adopted certain political attitudes laying claim to increases in its powers and competences. In

this way Parliament signals its intention to add a political dimension to the legal interpretation of the Treaties. I believe that the legal problem of the parliamentary margins should also be interpreted in the light of this concept: it would be absurd for a Parliament which takes what we may call 'oratorical' positions in its individual resolutions not to reassert its political will to continue in the direction of increased powers and competences when faced with concrete issues — that is, at the moment of the sole act when it is recognized as budget authority. And this not in order to satisfy itself as an institution, Mr President, but only in order to represent the political will of the 180 million citizens whom we troubled to elect these members directly so that they might express here the need, especially pressing in this time of crisis, to concentrate resources on the Community level, whence they can be transferred to the sectors and geographical regions most in need of stimulation. Only in this way can we give to these sectors and these regions the tools for development which can enable us to overcome the crisis.

Mr President, it is in view of these considerations that I, on behalf of the Committee on Social Affairs, invite this Parliament to approve the proposals which were favourably received by the Committee on Budgets, for only thus will we demonstrate with concrete facts that we have carried out our task as representatives of the people of Europe.

President. — I call the Committee on Social Affairs and Employment to speak on the Adonnino report.¹

Mr Van Minnen, draftsman of an opinion. — (NL) Mr President, in a supplementary budget of this kind we always find a few items cropping up repeatedly until the end, and the classic example of what almost threatened to become a repeating decimal is the 62m units of account we set aside for social measures in the steel sector.

The Committee on Social Affairs and Employment is, of course, glad that the stubbornness with which we kept at this item has paid off for once. It is not something you see happening every day in this Community. And although various provisos were still being mentioned here at half past nine, it has meanwhile leaked out in unambiguous terms that the Council has set aside the money by a qualified majority, which evidently still has a role to play from time to time.

That, then, is that. But, Mr President, it is by no means all that has to be done this week. There are at least another two things to be done. Firstly, we must formally adopt the amendment Mr Adonnino feels has

¹ *Tabling of a motion for a resolution: see the minutes of this sitting.*

Van Minnen

become superfluous. This amendment is still extremely important, since it seeks to ensure that the 62m units of account are actually used for these social measures. If we do not take the trouble to adopt this amendment this week, you can be sure the Council will not take the trouble to spring into action, because we must remember what the budget still formally says: token entry. Let us not forget that.

The second thing that has to be done — and I am happy to see the Vice-President of the Commission, Mr Tugendhat, among us to go into this, I hope, straight away — the second thing that has to be done, Mr President, is that, now the Council has agreed to the new limit on non-compulsory expenditure and therefore to the 62m units of account we want to set aside for a specific purpose, now that there are evidently no further legal problems, it is time for the Commission to take the necessary implementing measures. I therefore urge the Commission not to delay in taking the necessary implementing measures on the basis of Article 56 (2) (b) of the ECSC Treaty, a Treaty which is still in force in our Community.

The Council did after all create the means for this on 24 June by interpreting Article 56 fairly loosely. And this is precisely the basis for the implementation of what Parliament wants. This Parliament, Mr President, simply cannot go on tolerating a situation in which the Commission does not spend the money, especially as all the legal and financial bases have now been created. I feel — and I say this principally on behalf of the Committee on Social Affairs and Employment — that the decision to take social aid measures in the steel sector is one of the best to be reached during a debate on the 1981 budget that is closing at so late a date.

President. — I call the Committee on Regional Policy and Regional Planning.

Mrs Martin, draftsman of an opinion. — (FR) Mr President, in approaching the regional policy chapter I should like to draw your attention to the need to implement a valid Community regional policy. We cannot have such a policy unless we are prepared to allocate to it the level of appropriations it vitally needs today in order to reduce regional disparities in Europe. And we shall not have the appropriations we need unless the governments of our respective countries have a real political will to support a European regional policy.

Let me therefore first of all address myself to the Council. In fact the Council must realize that one cannot forever hide behind the complexity of budgetary mechanisms by invoking this or that technical clause. One cannot forever argue the need to be reasonable at a time when there are more than ten million unemployed in the Community, and particu-

larly knowing that a regional policy common to the Member States could provide one of the solutions to the unemployment problem. And I should like at this point to urge the Council most strongly to match its words with actions. I should also like, on behalf of the Committee on Regional Policy and Regional Planning, to draw the Council's attention to a specific point. Since 1975 we have seen a substantial increase in the ERDF's commitment and payment appropriations, but it goes without saying that these are still totally inadequate and will not allow regional disparities to be eliminated. Moreover, the Fund's allocation for 1982 is governed by what is politically possible within the framework of present priorities rather than by the social and economic needs of the regions.

In this context it is rather difficult to understand the Council's cuts, for by its proposals the Council is showing quite clearly that it is not prepared to introduce into the 1982 budget any of the new priorities urged by both the European Parliament and the Commission and indispensable to a coherent regional policy. Besides, and this is something I want to underline once more, I believe we should let the figures speak for themselves and the fact is that the cuts in commitment and payment appropriations that the Council has proposed will have a very considerable influence on the policies required today, for all that is said about the need to work and to act together to meet the essential challenges that are facing us.

Secondly, Mr President, whilst the Committee on Regional Policy and Regional Planning welcomes the Committee on Budgets' attitude to Article 542 we are still perplexed by the proposed cuts in Articles 500 and 510 and in Item 5411 of the draft budget. As regards Article 500 our committee in fact proposed an increase of 60 million ECU in payment appropriations and 174 million ECU in commitment appropriations, placing them in Chapter 100 in order to encourage the Commission to utilize these appropriations in line with the ideas it put forward in the context of the mandate of 30 May.

We therefore cannot see the justification for cutting commitment appropriations to 47.5 million ECU and payment appropriations to 75 million ECU, as the Committee on Budgets is proposing to do.

Much the same can be said in connection with the appropriations allocated to the ERDF, where, in making a cut of 6.5 million ECU in Article 510, the Committee on Budgets does not seem to have taken into consideration the need for Parliament to provide right now for an appropriate ratio of commitment to payment appropriations in anticipation of the change in commitment appropriations for the non-quota section, as laid down in the ERDF's new regulation, which is due to come into force in 1982.

Lastly, our committee, whilst welcoming the entry of an appropriation against Item 5411 in place of a token

Martin

entry, would like to emphasize the importance of making sufficient money available for integrated operations, to which we attach particular importance.

Where the appropriations we requested for Item 5411 are concerned, we must point out that they are intended to promote, in cooperation with local, regional and national authorities, the first phase of an integrated operation for the construction of housing in Belfast, which is due to begin in 1982 and be spread over four years. That is why we would wish to see Parliament approve appropriations of 28 million ECU instead of the 16 million ECU proposed by the Committee on Budgets.

I therefore urge Parliament to adopt the amendments put forward by the Committee on Regional Policy and Regional Planning, otherwise we could find ourselves without the funds we need now to be able to work and act together towards a united and responsible Europe.

IN THE CHAIR: MR VANDEWIELE

Vice-President

President. — I call the Committee on Transport.

Mr Moorhouse, draftsman of an opinion. — Mr President, I have been asked to speak on behalf of Dame Shelagh Roberts, who so far has been prevented by bad weather from being here.

Mr President, this is an important week for European transport. The Council of Transport Ministers is meeting this very day and has a great opportunity to make up for lost time and to tackle some of the pressing transport matters which are of great significance to the European Community, for many of us believe that transport development on a European scale is vital to national and regional development and could act as an engine for growth and recovery from the depths of the current European recession.

The Committee on Transport contends that the time is long overdue to set up a transport infrastructure fund. However, we have to be realistic and we accept that this is an issue of some controversy. So in the meantime we in the Committee on Transport have proposed — with the support of the Committee on Budgets that there should be a commitment appropriation for 1983 for transport infrastructure projects. We would have wished the figure to be much higher and initially we put forward a figure of 75 million units of account. However, I think that, as a House, we are agreed that 10 million would indeed be the absolute minimum needed in order to get certain major projects off the ground with Community support from 1983 onwards.

Here we have in mind, as a committee, two particular projects, which we regard as the front runners. One is, of course, as you may have guessed, the Channel tunnel, and the fact that I, a Briton, should be the person speaking on behalf of the Committee on Transport here today is a pure coincidence. We have here the seeds now of an Anglo-French project — the Channel tunnel — which we think can be resurrected, but to do this it is absolutely imperative that it should also receive Community support.

However, as a committee, we are also very impressed by the possible case for the Austrian motorway project, though we appreciate that this project is of a slightly different nature. Clearly the Austrian motorway project is one which should at least begin to be considered by the Community. On those two projects, the Channel tunnel and the Austrian motorway, we feel we have made out a case for commitment for 1983 onwards and we hope very much indeed that the Council of Ministers will not stand in our way on this second reading.

President. — I call the Committee on Development and Cooperation.

Mr Michel, draftsman of an opinion. — (FR) Mr President, I have listened very attentively to what the representatives of the Council and the Commission have had to say and there are three preliminary observations that I should like to make.

To my knowledge the European Community has no debts that it is not able to honour and even in 1981, when most of the Member States are showing sizeable budget deficits, the Community still has reserves. The Committee on Budgets has put these at around 600 million ECU, while the Committee on Budgetary Control is talking of just short of 1 000 million ECU.

The Commission's proposed increases in the social sector, in the regional sector and in the development cooperation sector must thus be regarded as being very modest indeed.

My second point is this: At its second reading of the budget, on 5 November, Parliament did in fact endorse by a qualified majority the proposals submitted to it by the Committee on Development and Cooperation.

And my third point concerns the attitude of the Council: At the second reading the Council rejected practically all of the amendments introduced by Parliament. And I have here before me a full list of the items involved. If we take food aid, this has essentially been cut from 1 400 000 tonnes to 927 000 tonnes, which puts us back to the level of aid distributed in 1979, that is to say before the debate on the Ferrero report, which committed us to a new approach in this

Michel

area. The same has happened with the 100 000 tonnes of cereals for emergency reserves: there is no more than a token entry. As for the diversification of food aid — 10 000 tonnes for sugar cut to 6 086 tonnes, 20 000 tonnes of vegetable oil, special aid for other products, altogether amounting to some 39 million ECU — all of it is reduced to a token entry. Exceptional measures have also been cut by half, from 1 million to 500 000 ECU. Finally, as regards aid to non-associated countries, the original estimates have been cut by 25 million ECU, so that they have in fact fallen from 200 to 175 million ECU. Chapter 930 is left with a total of 110 million ECU in payments.

A few moments ago Mr Tugendhat spoke about energy. We had asked for 20 million ECU in commitment appropriations and 1.5 million in payment appropriations for energy cooperation but all of these have been reduced to a token entry. In other words we have got nothing.

And so, if we look at the situation as a whole and more especially if we consider the amounts set aside for disaster relief, we find that the Commission had asked for 20 million ECU, Parliament accepted 10 million and the Council actually approved 6 million ECU.

Thus, Mr President, Parliament has acted consistently with itself, at least to a certain extent, whereas the Council does not honour any commitments made here, not those of our Parliament in the Ferrero resolution and less still the other commitments to which 256 Members put their signatures in the resolution of July 1981.

Our committee has a clear duty, therefore, to re-table a certain number of amendments, or at any rate the most important ones. This is what we have done, with the backing, incidentally, of the Committee on Budgets. Is it too much to expect the Council for once to behave as if it were answerable for the Community institutions as a whole, especially as regards Parliament's moral obligations? Let us hope we shall not see the sort of behaviour that one might expect from the croupier of a casino in liquidation, with everyone taking back their stake while there is still some money in the kitty but without anyone wanting to do anything to help out those in difficulty.

I hope, therefore, that by its vote this House will put right some of the positions adopted by the Council and that the Council for its part will realize that it must act consistently with the obligations assumed by the Communities as a whole in this important sphere of development and cooperation.

President. — I call the Socialist Group.

Mr Arndt. — (DE) Mr President, now that the rapporteurs and draftsmen have all spoken, I begin the statements on behalf of the political groups. I shall start by explaining once again what the Socialist Group hopes to achieve in the deliberations on this 1982 budget.

The Socialist Group's primary objective was to ensure that this budget reflected the desire of the European institutions to have the budget restructured and that this was done even before the decision is taken on the mandate of 30 May.

As our second objective we wanted to try to make a slight reduction in the proportion of the overall budget devoted to agriculture.

The third objective was to call for moderate amendments so that we could vote for them again during the second reading. I can say today that these objectives of the Socialist Group have largely been achieved through the proposals of the Committee on Budgets.

The Socialist Group's fourth objective during these debates is therefore once again to win over a large majority of this Parliament to the ideas that have had the support of the majority of Parliament in previous years.

Mr President, this is not the time for stressing the differences between the political groups. It is time to stress the unity of Parliament in fundamental European matters. What is the point of this 1982 budget? The point is that no further money should be wasted on the overproduction, storage and destruction of specific structural agricultural surpluses. The point is that, instead, we must do more to fight unemployment, to improve the situation in the needy regions of Europe, more for a common energy policy and more to combat hunger in the world. That is the point, and I believe that Parliament's position in this respect has been made clear through the amendments that were adopted during the first reading.

Consequently, I now turn to the role of the Council. In numerous decisions of principle the Council has told the European public that it wants the restructuring proposed by Parliament during the first reading. No citizen in this European Community can now understand how the Council can generally welcome Parliament's aims and then reject them as a result of the decisions taken by the Council of Finance Ministers. This reveals a schizophrenic, a hypocritical, an insincere attitude in the Council, which, on the one hand, announces in grand declarations: Yes, indeed, this is what must be done, but then, on the other hand, fails to make the necessary resources available.

When I look at the resources which have been entered in part in this budget and compare them with the additional 300 or 350m EUA the Committee on Budgets is calling for, I can only say that no responsible citizen

Arndt

can understand the Council's opposition in this respect. The Presidency is held by the British at the moment. All I need do to obtain a clear picture of the situation is consider the calculation of the British contribution and remember that the figures put forward 18 months ago for the calculation of the United Kingdom's contribution have undergone major changes in the meantime and that, as a result of these erroneous figures or, to put it more cautiously, as a result of these errors, the United Kingdom is getting almost five times too much compared with the figure the Committee on Budgets is now proposing. When I realize that more money is spent on monetary compensatory amounts alone than what the Committee on Budgets is calling for here, when I realize that more is spent on storing butter than the Committee on Budgets wants for the fight against unemployment, for regional policy, for energy policy and for the fight against hunger in the world, all I can say is that the attitude of the European Council, of the Council of Finance Ministers is no longer acceptable.

(Applause from certain quarters of the Socialist Group)

We all complain about the apathy of the public towards Europe. We must make it quite clear to the public that our governments are to blame and that the European Parliament accuses all the governments in this respect.

I should therefore like to say a final word about procedure. I do not know for how many millions we shall obtain the necessary parliamentary majority of 218 votes. The Council's representative has told us today that, if we intend to adopt so large a budget, we should not adopt it this week. Ladies and gentlemen, Mr President, this House has repeatedly pointed out that the Council must consider these matters in good time. For over a year this Parliament has had the Council's assurance that we would discuss non-compulsory expenditure. The Council is to blame for the fact that these discussions have not yet taken place.

It has until Thursday to put a reasonable proposal to Parliament. Parliament does not want a dispute at all costs, but the Council cannot simply say: We do not want a dispute over the budget, and you — Parliament — will therefore kindly do what the Council suggests. This is no way to deal with each other.

I therefore feel that either the Council condescends to make a reasonable offer until the final decision is taken or, failing this, the budget should be adopted in the form proposed by the Committee on Budgets, with the amendments that obtain the majority of 218 votes in this House. If it is then still well above what the Council considers appropriate, it can always put forward a supplementary budget in the next 12

months. Parliament does not want a dispute, particularly if the future of Europe is at stake. But if there is a dispute over this matter, the blame will certainly not lie with Parliament but with the Council.

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

Mr Notenboom. — *(NL)* Mr President, I should like to give a very sincere and warm welcome to Mr Ridley, who has come in out of the cold. He deserves a welcome, as does that nice Mr Peet, who deputized for him in the Committee on Budgets. They have represented the British Presidency extremely well. And I mean this most sincerely, even though I do not agree with the position the Council has to defend here today.

Mr President, we hope to adopt a budget this week. I feel that my Group, which sees a link between the second supplementary budget for 1981 and the budget for 1982, can only endorse the 1982 supplementary budget after hearing what Mr Ridley had to say this morning about steel. In my opinion, this imposes an obligation on my Group and also on Parliament to give their approval, and it would seem that the year-long fight to have the European budget take account of social consultations on the steel sector has been successful. The Commission must therefore implement these measures as quickly as possible. It is inappropriate that basic legal problems should intervene. If 218 Members vote in favour of this this week, as I sincerely hope they will, it must be possible for this money to be spent.

I did not really intend to speak about 1981, as other members of my Group will be doing so, but in view of the connection, I could not refrain from saying what I have said. Thank you, Mr Ridley, for your statement. We would, of course, have much preferred it if this had been said in the Council's decision during the second reading rather than at this late stage. I thank you for your statement and for the courage you have shown as President in making it.

Mr President, procedural differences are again hanging over our decision-making on the budget. How happy I would be if these procedural differences at last ceased to be so dominant and the real problems took up 95, 98, 100% of the time the Council and Parliament, the two parts of the budgetary authority, have to talk to one another. How happy we would be if our discussions were at last entirely occupied with the subject-matter itself, the content of the problems a budgetary authority has to discuss. But again we find procedural differences and disagreements hanging over us, and they may be serious this year. Mr Ridley has referred to the problems connected with compulsory and non-compulsory expenditure. Of course, Mr Ridley, and to my regret Commissioner Tugendhat

Notenboom

has taken your side, it is not difficult to detect anomalies in views held on what the breakdown should be. Parliament, the Commission and the Council each have their views on this subject. There is no difficulty at all in detecting discrepancies and absurdities. But that is not the point. We are prepared to discuss with you how things should be in the future. That is the offer you made us and Parliament accepted. We shall make a start on this early next year.

The Committee on Budgets also tried to reach a provisional agreement for this year. There was not a great deal of time left for this, but it might have been possible. The Council was unable to agree, willing though it may have been. So what should we do? There has to be a breakdown. Then Mr Spinelli says: Let us accept this breakdown this year and come to a final decision, for the future, next year. That is how you must see it, and that is how this concept of Chapter 100 as non-compulsory expenditure came about. We are quite prepared to discuss what the position should be in the future, but this is a solution for the 1982 budget. It can, of course, be said that it is strange expenditure should change its nature depending on whether or not it is entered in Chapter 100. Do you not find it strange too that expenditure should change its nature as time passes? Let me remind you of a proposal made by the Presidency of the Council five or six years ago regarding the Regional Fund. It was said at that time: if we regard this expenditure as compulsory for another year or two, we are prepared to regard it as non-compulsory in the third year. That was not normal either, but we agreed to compromise. That is the way the Treaty happens to be. We are part of it, and we must abide by it.

We therefore depend on each other if compromises are to be reached and Parliament is prepared for this. That is why I ask you to agree to what is, I admit, a rather odd concept, because it will not be the first time we have agreed to concepts like this. We simply have to press on with a difficult Treaty provision. The Treaty cannot, after all, be changed so quickly. It is simply a question of accepting this for 1982.

My Group and the previous speakers have given the members of the Committee on Budgets their support. With perhaps a few exceptions, the Christian-Democratic Group backs the attitudes and proposals of the Committee on Budgets. We intend to endorse the interpretation of this margin, the question of the breakdown into compulsory and non-compulsory expenditure I have just outlined, but the question then is, will we have the support of 218 Members? I very much hope so, because otherwise it will be more difficult to get out of this. It may not happen until January, but I hope it will be done this month or even this week.

The Treaty requires a majority of 218 votes for decisions to increase expenditure. There is a good reason

for this, but it does unfortunately mean that a minority can prevent a decision from being taken. I hope this will not be the case, but it is a possibility. At any rate, it is not so bad as one Member State preventing a decision from being taken in the Council, because that is contrary to the Treaty, but we see it happening. So we are in a better position, although I would think it a pity if a minority should seek to impose its will on the majority, but at least that is not in conflict with the Treaty.

Leaving aside procedures and percentage increases, we cannot agree to a decrease in the Community budget. We are well aware that the budget is only one part of European policy and that quite considerable progress can be made in Europe without budgetary decisions. Not everything depends on money, I am happy to say. The budget is an important aspect of this, and a great many policies will go into decline if no progress is made in the budget. We want to see this progress being made in the year in which the first signs of the restructuring of European policies, the subject of the mandate, become visible. That is the real reason why we cannot accept 10 or 20m. I am grateful to Mr Ridley for the way in which he began his statement. He did not begin by saying: You must ensure austerity because we must ensure austerity in all our Member States. I agree with this, but that is not what Mr Ridley said. He said that Parliament wants Community policies to replace national ones. That is correct, and I was very happy to hear the President of the Council say so. We do want Community policies to replace national policies, but Mr Ridley added that this is not possible, and on that I do not agree with him. We know very well that there is considerable resistance among civil servants, even in the national parliaments and the national governments, to our call for this money to be spent at European rather than national level even though it is far more efficient and often far better and cheaper to do so. That is the way it must be, and we shall have to go on saying so in our Member States. Mr Ridley knows now that we want Community policies to replace national policies, but before the message is understood in all the capitals, in all the parliaments, in all the media, the point will have to be made very frequently. And yet the possibility exists, ladies and gentlemen, development aid being a good example. Development aid is an eminently suitable subject for a common policy, for a policy of the Community as a whole, which does after all want to speak with one voice in the world, in UNCTAD, in the UN, at the Paris Conference, at the Madrid Conference. Is it not then natural for that one voice to be joined by a fund, so that there may be more than just words. This voice must be backed by a gesture from the European Community. Where development aid is concerned, funds are also needed. Is development aid not an eminently suitable subject for a European policy, a policy that replaces national policies, not straight away, of course, but gradually. Each Member State, this still being a national matter, agrees

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with its parliament on the percentage of its national product that is to be devoted to development aid.

Unfortunately, the percentage is higher in one country, lower in another — not all the Member States of the Community have reached a satisfactory level — but the decision is still taken at national level. The Member States then arrive at a percentage — 0.9, 0.7, 0.5 or whatever it may be — which is equivalent to a certain amount of money, and this forms the limit for that Member State in that year. If we then add Community expenditure under the Lomé Convention and the budget to the percentage decided by the Member States we have a common limit for the European and national development aid policies. In this situation, an increase in the European limit automatically results in a decrease in the national limit.

Mr Michel, you should really consider whether this is not acceptable to your Committee on Development and Cooperation. It is a method used in my own country, but it can be applied in all the Member States. You then have an automatic system: the more that is done at Community level — and I hope more will be done — the less that is done at national level. This does not alter the fact that some Member States would do well to increase their percentage. But that is another matter. This is an example, Mr Ridley, which I feel demonstrates very clearly that certain policies in certain areas can be pursued at European level. Resistance must, of course, be overcome, but if resistance is not overcome, the construction of Europe will not continue.

I should like to recall very briefly the strategy adopted by my group and other groups and now by the Committee on Budgets as well. The strategy adopted towards Chapter 100 has also been accepted by the Committee on Regional Policy and Regional Planning. For example, we want the increase for the Regional Fund to be entered in Chapter 100, not as a means of hampering expenditure, but to achieve an improvement, to force the Commission, the Council and even Parliament to make the improvements that have now been proposed by the Commission, so that this money can be released. We are aware that, if we are to ask the Member States shortly under what conditions they would be prepared to exceed the 1% limit, we must be able to say: we have done such and such to agricultural spending, we have done such and such to reduce overproduction and mountains, we have done such and such to improve the quality of spending, and only now are we coming to you to ask for more money for Europe and for European policies. It is in this light that you must see our efforts to use Chapter 100, the reserve, for this purpose.

To conclude, I should like to ask Mr Tugendhat for up-to-date information on the EAGGF, what he at present foresees as still being needed and whether he believes there will be any resources left for the EAGGF at the end of the year. I hope a few minutes

will be devoted to this question during the debate, but Members speaking on agriculture may well ask about this.

The most important point, therefore, Mr President, is that we should all agree and that it should be realized in the Member States that we are not asking for more. We have ourselves put forward proposals for a reduction in spending on management, which have not always been accepted by the Council. We have been very strict about staff increases. Unfortunately, we have not been so strict — this is a personal comment — about Parliament itself, and I very much regret this. We have been very strict about increases in Commission staff, but otherwise we want more money, not to increase the burden on the European taxpayer, but as a means of progressively transferring more policies to Europe, policies which are suitable for such a transfer.

President. — I call the European Democratic Group.

Mr Balfour. — Mr President, I have listened carefully to the speeches so far this morning, and it seems that there is profound unhappiness in the House. It is clear enough that Parliament is likely to adopt a series of amendments on Thursday, and although we believe that these should be our final say on the budget, they will not actually define the 1982 budget, as there is still profound disagreement with the Council of Ministers on so many points. And the trouble is that we need agreement.

What is the background to all this? The sadness — it is a sense of bitterness almost — exists in all our dealings with the Council of Ministers; it runs through most of the work of this Parliament. We are frustrated by the fact that we are struggling to establish the voice of this Parliament as the authentic voice of the people of Europe, at a time when none of the national governments yet sees us in this light. We are frustrated also by the fact that so often in this struggle, when the Commission should be taking its place alongside Parliament, it is, in fact, trying desperately to find ways of defining the least objectionable course. It feels itself obliged to find first a compromise between the various political capitals of Europe and then a further compromise with the wishes of Parliament. Its recommendations are thus seldom far-reaching and seldom seen as wholly satisfactory in this House. But not so with the budget. The Commission's efforts to find the maximum use for the savings on agricultural spending in the non-agricultural sectors have generally found favour in this Parliament. We have tried, in our part in this budgetary procedure, to support this genuine effort of the Commission to use the savings made possible — probably uniquely; we may never get the chance again — to maximum effect in developing the non-agricultural activities of the Community. What could be fairer? What an opportunity this presents in the year of restructuring!

Balfour

And so what has gone wrong? It is the usual thing. We want to advance Community policies as fast as possible. The Council, whilst professing the same objective, feels obliged, for budgetary reasons, to slow down this process.

Let us for a moment consider how we all look to the outside world. How am I to explain the situation to my son at school? I have to tell him, first of all, that on 15 December 1981 we still do not have agreement on the 1981 budget. We are told that the disagreement over the social measures for steel is at last resolved, that we shall have an increase of the maximum rate to accommodate this. And yet there is a lingering doubt, a niggling doubt as to whether the money can be spent, because it appears, from what the President-in-Office of the Council has said, that the agreement was reached only by majority voting. Who, may we ask, were the minority? On Poland, we are at last agreed that we can have 10 million units of account, but I have to tell my son that the Council wants to pick the pocket of agriculture, and we want to make the funds available from Article 950. On food aid, we all agree that it is important, but we are told that there is probably no legal basis. Yes, we should not fight about it, otherwise nobody will get the funds; but we need agreement and it is late in the day.

I have to explain to him as well that we have no agreement on the 1982 budget — at least not yet — and it is late in the day. On specific matters, we in our group are extremely unhappy that neither the Commission nor the Council could get their act together for the full 28 million units of account to be made available in the 1982 budget for the special programmes in Belfast. The Committee on Budgets — wrongly, in our view — has reduced that 28 million to 16 million, and they hope that the balance will be found from reserves. I take some satisfaction from the remarks of the President-in-Office when he said that the Council had agreed to draw the necessary budgetary consequences as soon as decisions on the Commission's proposal were taken. I hope that we can say to Belfast that it will get the full amount; but just in case there is a wrangle over that balance of 12 million, my group will vote for the full restoration of the Committee on Regional Policy and Regional Planning's recommendation.

I have to explain to him also that there is the fundamental disagreement this year on something called classification — in other words, that we cannot really agree on what we agreed last year. We do not know what in last year's budget was obligatory and what was non-obligatory. We believe it is the Council's fault, because we think we should have had agreement by now. They tell us that they have agreed to meet us in discussion next year, but the trouble is that this House is exhausted with being told 'next month', *'mañana'*. It is always *'mañana'*! We want agreement now.

How do we look to the outside world? We look very stupid indeed. Mr Arndt asks for unity, that this Parliament should maintain a united voice; and yet immediately he swings into the whole question of the UK budget rebate. I would like to have an argument with him about it, but all I would say to him here — though he is not in this Chamber to hear it — is that this is not the forum for that particular debate. Yes, I agree that we should be united on what constitutes Parliament's powers!

Here we come to Mr Spinelli's definition of what is our margin of manoeuvre today. We agree that, failing agreement between Parliament and Council, Parliament must push to the maximum, and to that extent we fully support the rapporteur in everything he has to say about our remaining margin. But what we need is not to establish a neat legal position for our argument next year. Unfortunately, what we now need is agreement and compromise, and we will achieve this not on the legality but on the amounts. That is why our group has tried to exercise a degree of moderation in the amendments we are tabling before Parliament. We have not gone the full way, as Mr Spinelli would have wanted, as other major groups would have wanted, but we have certainly gone a long way beyond what the Council believes is our right and entitlement.

We, like Mr Arndt, object to the conflict that exists in the Council of Ministers, who are the executive and the legislature in this Community, unfortunately, still today. And the conflict is one between the various Councils. On the one hand, we are given great hopes of a restructuring, great hopes of a new balance in Community policies; this is the reform to which we must move. On the other hand, in a year when we have made real agricultural savings — maybe through no real merit of our own or no improvement in the CAP itself but through the increase in world prices, nevertheless the savings are there — we are not being given the full advantage of those savings by transferring them in their entirety from agricultural to non-agricultural items. We are told by the Finance Ministers that the overwhelming preoccupation of so many of them is with a reduction in national expenditure in real terms and that against this background they are unable to support the full interpretation, as the Commission has done, of our powers in terms of transferring the savings in agriculture to expenditure on valid policies outside it.

The budgetary year 1981/82 is the perfect opportunity for achieving a degree of restructuring. We are using less of our VAT entitlement than before; we have the savings. We should use these to the full, but the Council objects, so my group is proposing a halfway compromise. It may not be very elegant in legal terms, but what we are proposing is way beyond what the Council says it can accept and yet about halfway along the road Mr Spinelli would like to take us.

Balfour

Mr Tugendhat spoke of the best budget that is available in all the circumstances, the right budget. What is the right budget? We had a debate in September about this. The right budget, clearly, is that which makes the move away from agriculture toward those policies which are more cost-effective. We do not like being told that the financial stringency back home requires moderation in Community terms. We do not believe that this expenditure is additional to what goes on at national government level. Hence Mr Tugendhat's dislike of percentages when we talk about the growth in social, regional and all the other policies. What we have outside agriculture are really embryonic policies, and because they are embryonic you cannot measure their rate of growth in percentage terms. It could be argued that we are pushing too far with our interpretation of what Parliament's margin is, but surely in this year we are showing extreme moderation in the amounts by which we wish this restructuring to be achieved.

President. — I call the Communist and Allies Group.

Mr Gauthier. — *(IT)* Mr President, on behalf of the Communist and Allies Group I would like to say that the importance of this concluding phase of the procedure and the debate concerning the budget for 1982 must be obvious to everyone: it would certainly be a mistake to think that we have now entered upon a pre-eminently technical stage. No; this last phase as well, despite the complicated nature of the procedure, is essentially political. The motion for a resolution prepared by Mr Spinelli and presented here on behalf of the Committee on Budgets justifiably reiterates the strongly critical attitude towards the Council's budget, rightly defined as a "budget of stagnation". We must be aware that this attitude on the part of the Council jeopardizes the future of the Community, and hinders even the smallest advance towards the choices which two Foreign Ministers — Genscher and Colombo — have recently explained to us here.

The approach proposed by Mr Spinelli — and through him by the Committee on Budgets — today represents Parliament's indispensable minimum. It is the indispensable minimum because if Parliament does not consistently maintain this position, it yields of its own free will certain competences which are basic, decisive, and which have only been attained after long years of political struggle.

What is the real issue of this political struggle today? It is a confrontation with the Council, which in the first phase of the discussion was largely formal in nature and which today concerns the exercise of power in the framework of the budget authority. And this confrontation is not, as Mr Spinelli rightly said, pre-eminently economic and financial in nature, because from this viewpoint the matter of contention is absurdly small. The fundamental problem, I repeat, lies in the fact

that, under the veil of a very complicated procedure, highly significant questions of politics and principle are being raised.

The basic issue is the distinction between compulsory and non-compulsory expenditure, which can be summarily described as a problem concerning the powers of Parliament. We believe that during the entire second phase of the debate on the budget Parliament, and especially the Committee on Budgets, has taken the correct, because highly responsible, approach. In the first place, Parliament has demonstrated its ability to apply criteria of strictness and austerity according to coherent political choices which allow for the requirements of the nations and peoples of Europe. In the second place, Parliament has given proof of propriety and the ability to adhere to a strict observance of the procedural rules laid down in the treaties. On the whole issue of compulsory and non-compulsory expenditure, it is Parliament which has repeatedly proposed to the Council provisional solutions capable of paving the way for a positive launching of the budget for this year and a rapid definition of the question for the future. I really cannot understand how it was possible today for an argument to arise between the Council and the Committee on Budgets and its rapporteur concerning the traditional position of Parliament on this division between compulsory and non-compulsory expenditure. It is obvious that the phase in which we are now involved is not the one best suited for discussing the merits of one proposal or another; this could and should have been done before, accepting Parliament's offer to establish an official instrument to deal with the problem, for it is also obvious that the positions assumed by Parliament can, in the course of the discussions with the Council and the Commission, be reviewed and modified. But as long as we find ourselves confronted with a refusal on the part of the Council to address the problem in a formal manner with the intention of finding a true solution, it is clear that Parliament can not do otherwise than insist firmly on its traditional positions.

Even though we do not share all of the Commission's views — and what I said just now in reference to the Council applies also to the Commission's observations on Article 100 — I feel obliged to underline the importance of the affirmations made by Commissioner Tugendhat regarding paragraph 6 of Mr Spinelli's motion for a resolution, which establishes this legal principle and basic policy; agreement among the three institutions — Parliament, Council, and Commission — is essential if we are to arrive at a definition of compulsory and non-compulsory expenditure binding for all of them.

In the third place, Parliament, despite heavy pressure from the Council, has up to now been able to maintain its priorities in this difficult situation: control of agricultural expenditure; commitment to the reduction of regional imbalances and thereby support for a policy

Gauthier

of convergence; recognition of the importance of the Social Fund at a time when unemployment is becoming a dramatic issue in the Community; aid to development; the launching of new policies. The Committee on Budgets was able to act, within the restrictive framework of these objectives and under this heavy pressure from the Council, with a spirit open to compromise because, whether on the question of transport policy or on the question of Belfast, it succeeded in finding a positive compromise, however limited.

I will conclude by stressing one thing. Parliament, as has been said here, must present as united a front as possible. This strong pressure from the Council which manifests itself in a too-often irrational attempt to reduce expenditure — by whatever means, in whatever sector, and without criteria for its choices — threatens to cancel out the little that Parliament has achieved over years of hard struggle on the level of choosing priorities. Parliament must resist; it must be aware that in the present budget as well, behind the veil of this complicated procedure, the political stake is a high one for the future of Europe and for the position of Parliament itself, which we wish to see strengthened and consolidated.

President. — I call the Liberal and Democratic Group.

Mrs Scrivener. — (*FR*) Mr President, Mr President of the Council, before I go on to discuss the 1982 budget I should like, as others have done, to say a word about the 1981 amending budget and also to tell you that we intend supporting the Committee on Budgets' proposal and shall be voting for the three amendments they have put down.

There are, however, two observations that I must make on the subject. The first is a particularly topical one: I believe we should see to it that the food aid we are so anxious should be sent to Poland does indeed get there and I take this opportunity of calling on the Commission to make sure that it does. My second point is that by this amending budget the Member States stand to recover quite considerable sums of money — some 700 million ECU in all. It seems to me that they would do well to bear this in mind for the 1982 budget and that this sum they are recovering should give them food for thought.

We are about to vote on the Community budget for the third time since Parliament's election by universal suffrage. For Parliament it is an event of fundamental importance, since it is in this area, and in this area alone, that it possesses any real power.

Now it is worthwhile remembering that the votes on the two previous budgets gave rise to numerous difficulties. In 1979 we had the rejection of the budget and

in the following year there was the dispute with the Council over the 1980 supplementary budget.

These two reminders are symptomatic of the continual state of tension that exists between the Council and Parliament. Our rapporteur, Mr Spinelli, in terms that I endorse wholeheartedly, has referred to this problem on more than one occasion. In fact, psychologically, the Council has still not accepted Parliament's role. That is where the trouble begins, and I earnestly urge the Council to consider that we have been elected by universal suffrage and this is something it really must come to terms with. Is it afraid that Parliament will look for ways of widening its powers or is it quite simply apprehensive that Parliament, by its action, may be working towards European integration? Unfortunately, the situation and the atmosphere as we get ready to vote on the 1982 budget remains as it was.

As far as the Liberal and Democratic Group is concerned, let it be clearly understood that we do not consider it desirable that we should always go out of our way to have a trial of strength with the Council. Obviously this does not mean either that we are prepared to fall in with the Council's points of view. The latter has been promising for a long time to take greater account of Parliament's proposals, but one is forced to the conclusion that this is just wishful thinking.

This time the Council has stated that it is prepared to arrange next year and in time for the 1983 budget a 'dialogue' on the classification of expenditure, which Parliament has already been asking for for some considerable time. Let me say to the Council that we have duly noted their undertaking and as from January of next year we shall be seeing to it that this promise is kept.

In the meantime, the Liberal and Democratic Group considers it imperative that an effort be made on the part of both the Council and Parliament. After all, between the calculation of the margin proposed by the Committee on Budgets, which is 450 million ECU and of which in any case it has used up only 350 millions, and that of the Council, which amounts to zero, there is — and this is what we are proposing — a middle road. We have in fact tabled a series of amendments, the effect of which is to increase payment appropriations by 228.3 millions.

Let me say right away that this is a question of a political choice. We believe in fact that, pending the outcome of next year's negotiations, we should put as it were to one side the legal aspect of the problem posed by the question of the classification of expenditure, but, be warned, we shall be fighting for all we are worth next year.

However, I may say that for our part we are absolutely astonished at the position adopted by the Committee on Budgets, which maintains that expenditure on monetary compensatory amounts becomes

Scrivener

non-compulsory by the simple fact of our transferring it, at a given moment in the procedure, into the reserve under Chapter 100. I have to say, I have said it already, that as far as we can see there is no basis for such a proposition. But the Council, on its side, has got to reconsider its inflexible stance on a number of expenditure items which it has hitherto regarded as compulsory, especially food aid.

We are therefore appealing to the Council to consider our proposal very carefully and not simply to offer us a ridiculously small additional sum which we would clearly be unable to accept. In keeping to the figure of 228 millions, the Liberal and Democratic Group has had to accept some at times difficult choices, specifically smaller increases than would have been desirable in the allocations to the Regional Fund, the Social Fund and food aid, but it has to be understood that in order to reduce the amounts in relation to the amendments voted by the Committee on Budgets we could not do otherwise than modify those chapters that had substantial allocations.

Mr President, those are the observations I wanted to make on behalf of the Liberal and Democratic Group. Provided that both arms of the budgetary authority are prepared to go some way to meet each other we shall, for the first time, be able to have a budget that will not rock the foundations of the Community institutions and will not have any undesirable impact on public opinion.

Clearly — and I shall end on this note — it would ultimately be Europe that gains by it.

(Applause)

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

Mr Ansquer. — *(FR)* Mr President of the Council, Mr Commissioner, with the December part-session our Parliament is engaged in the final sprint which should culminate with the adoption of the Community budget. It is therefore a critical stage in the budgetary procedure.

In point of fact, it is frequently at the second reading that the differences between Council and Parliament crystallize out and this procedure, already complex enough, is complicated still further by disagreements over the budget or misunderstandings between Council and Parliament. The causes of our budget disputes are incidentally quite incomprehensible to the citizens of the Community and here I support what Mrs Scrivener said just now.

The people of Europe are in fact completely ignorant of what is going on in our Parliament in connection with the budget. It is for all these reasons that we must

in the coming years devote ourselves to the task of making the budgetary procedure simpler and more transparent, if only so that our fellow-citizens can really understand what it is that we are trying to do here.

This year, among the various bones of contention the spotlight has fallen on the business of the classification of expenditure. Although rather an abstruse subject, its importance is nevertheless very real in that it determines the balance of power between the two arms of the budgetary authority and it is non-compulsory expenditure that holds the true key to Parliament's power. It is only natural, therefore, that the political forces inside Parliament should try to extend the list of non-compulsory expenditure items, or, alternatively, reduce the list of compulsory items.

Parliament is in a sense, therefore, now opening up new frontiers, moving whole chunks of the Community budget into the category of non-compulsory expenditure and, in particular, the whole of the Guidance Section of the EAGGF and all of the reserves in Chapter 100.

For its part, our group cannot entirely go along with the thesis upheld by our rapporteur, Mr Spinelli. Whereas it can be argued that certain items in the Guidance Section of the EAGGF are indeed of a non-compulsory character, it is on the other hand difficult to find justification for classifying all of Chapter 100 as non-compulsory expenditure. Everyone knows that the reserves in Chapter 100 have in reality been earmarked for specific budget headings, as the remarks show in any case. The effect of entering certain expenditure in Chapter 100 is, as you know, to strengthen budgetary control but it cannot determine the nature of the appropriations.

That being the case, it is difficult to see how these appropriations could be classified differently from the budgetary line for which they are intended. That, at any rate, was Parliament's positions until recently. What is at stake, clearly, is the size of Parliament's margin of manoeuvre. Only a soundly-based situation can give our Parliament a solid basis on which to exercise its indisputable powers.

The major problem to be resolved is thus the classification of expenditure and we welcome the Council's suggestion of setting up tripartite discussions at the beginning of next year. Our group considers that the wrangle over the classification is premature, since we are going to be debating it from the beginning of 1982.

The immediate problem is: at what point during the budgetary procedure should the margin of manoeuvre be used? What is the margin? It is a sort of portfolio of appropriations on which our Parliament has the last word and which it can use entirely at its discretion subject to the provisions governing the maximum rate. I would draw attention in this connection to para-

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graph 9 of Article 203 of the Treaty establishing the EEC, which states that if 'the actual rate of increase in the draft budget established by the Council is over half the maximum rate, the Assembly may, exercising its right of amendment, further increase the total amount of that expenditure to a limit not exceeding half the maximum rate'.

This means that Parliament's margin of manoeuvre cannot be less than half the maximum rate. But the Treaty does not specify at what point in time this margin applies. To us the answer seems quite clear. It can only apply in the final stage of the budgetary procedure, for if the Council's decisions at the second reading were to be set against this margin it would be the Council using up the margin, not Parliament.

And so, Mr President, even if, for the time being at least, we accept the Council's classification, Parliament still has a not inconsiderable financial portfolio of around 210 million ECU. It is on this margin, therefore, that our conciliation with the Council must concentrate. We have to decide on our options, for when we talk of conciliation we are really talking about options, and we believe that to determine our options is to remember our priorities. These priorities are for us the social sector, the regional sector and development.

It seems to us, Mr President, that we would be better advised to concentrate Community resources on less ambitious but at any rate realistic objectives, thereby avoiding the policy of the watering-can, which could only be partially effective.

I trust, therefore, Mr President, that the conciliation with the Council will be fruitful, not only for Parliament — it is only a matter of pride for its Members — but above all for the construction of Europe, for that is really what all this is about.

(Applause)

IN THE CHAIR: MR KATZER

Vice-President

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

Mr Bonde. — *(DA)* Mr President, here we are again, plunged into a new dispute between the EEC's Council of Ministers and the EEC's Parliament, for that will be the outcome of Thursday's vote and the

proposal put forward by the majority of the Committee on Budgets. This year the fight is to be about classifying the different appropriations. Parliament wants to adopt its own classification system. The Members from the People's Movement against the EEC condemn such a move by Parliament to take the law into its own hands and we warn the President not to put her signature to what we consider an unlawful budget.

If the distinction between compulsory and non-compulsory expenditure is to have any meaning, there can be virtually no non-compulsory expenditure as far as the money spent on administration is concerned. For, according to the Treaty, compulsory expenditure is that which is authorized under the terms of the Treaty or the approval of which is authorized under the terms of the Treaty. But it follows, of course, from the general principle of legality that expenditure cannot be approved unless it is in accordance with the Treaty or with the legal acts deriving therefrom, and the Council is fully entitled to reject all Parliament's attempts to extend the non-compulsory expenditure. I see the Council representative nodding. If the wording of the Treaty is taken at face value, it is incumbent on the Council, moreover, to prevent Parliament from re-classifying expenditure which necessarily follows from the Treaty or from the legal acts deriving therefrom. This is not just some unimportant legal nicety, for behind the legalistic veneer there lies nothing less than a constitutional battle about the creation of the Europe of the Ten United States. If Parliament succeeds in re-classifying some expenditure, then control of the Community's purse-strings will be transferred and, if this control is removed from the Council, in which each Member State has the veto, and handed over to the European Parliament, where there is no such right of veto, then the national parliaments will be reduced to the level of local government councils. This is the long-term prospect in Parliament's battle with the Council. This is the intention. Every year the budget, the supplementary budgets and even general transfers of appropriations are used for the purpose of wiping out the national States in Europe, and now the annual adoption of the budget is also to be used for this purpose. But it is an ambitious task and it will not succeed as long as there are people prepared to fight for national independence.

But this is nonetheless sufficient cause to put the Council on its guard for, looking at the figures for the budget negotiations over the last years, we see that every single year Parliament has been given a growing share of the total budget. The non-compulsory expenditure share of the budget has doubled in just a few years and these many small increases, although slight in themselves, can, before we know where we are, lead to Parliament having the last word on the main sections of the Community budget. If, for instance, Parliament succeeds in getting its hands on the agriculture section, just a few re-classifications can

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establish a precedent which will undermine the Council's powers over Community funds, although these powers are enshrined in the Treaty. And if Parliament allies itself with the supranational Court of Justice and pressurizes the supranational Commission to pay out money only in accordance with the budget, then the stage is well and truly set for the definitive re-classification of the Council of Ministers as a museum-piece, a curiosity devoid of power. In this way power is transferred from the governments' representatives to the expatriate Eurocrats and the supranational judges and MPs and therefore I must urge the Council to stand firm for this once. Teach Parliament a lesson, reject its attempts to tamper with the law, and, if need be, keep money out of the Community chests! For the best weapon against bank robbers is to have one's money removed to another bank. It would serve Parliament right to find the money gone, if Mr Spinelli and his colleagues manage to force their way into the bank! It is the governments which demand taxes and other charges from our citizens. It is the Council that has the power, if only you want it to. Do you or don't you?

President. — I call the non-attached Members.

Mr Pasmazoglou. — (GR) Mr President, I will support the opinions of Mr Spinelli and the Committee on Budgets because in spirit they aim to bring about a compromise solution and avoid deadlock in the European Community. However, I wish to stress that the budget, in the way it is being drawn up for 1982, is evading extremely serious political problems of vital interest to all the people of Europe.

I will refer to three of these major problems. The first is procedural and concerns matters of principle. The European Parliament has repeatedly stressed the need for a single budget which will include capital exchanges, loans and grants of the European Community and its organs. The European Parliament has also repeatedly stressed the need to exceed the 1% ceiling on VAT. We are overlooking these important issues, we are not facing up to them in accordance with the proposals made by the European Parliament.

The second point I have to make is that the percentage of resources which the Community budget absorbs is diminishing in relation to the overall resources of the European Community and this is an anomaly. It reveals a more general restriction on Community activities at a time when the Community's economic and social responsibilities are growing together with its international political importance.

The third observation that I have to make concerns the fact that although expenditure on the Social Fund and Regional Fund is being increased, it falls far short of what was necessary and practicable. Only by increasing expenditure on regional development, espe-

cially on the development of southern Europe and other regional countries and areas of the Community, can we ensure that economic development is promoted throughout the whole of Europe and inflation combatted decisively.

Consequently, Mr President, in my opinion the argument which is often heard that economic restraints and financial difficulties place a general limitation on the Community does not stand up. On the contrary, there should be restrictions on waste, but at the same time the Community's social expenditure and expenditure on development should be increased because in this way the financial problems which most European countries have can be solved and economic progress and the growth of the Community's international influence throughout the whole world can be assured.

President. — I call the Committee on Budgets.

Mr Lange, chairman of the Committee on Budgets. — (DE) Mr President, ladies and gentlemen, I should like to make a few comments on and as part of this last round of the budgetary procedure.

Despite the absence of conditions for the restructuring of the budget, Parliament has endeavoured to show to some extent where its preferences lie as regards the shaping of Europe or of European policy tomorrow and the day after. This basically corresponds to what led to the mandate of 30 May. According to the statement made by Vice-President Tugendhat, the Commission believes it can put forward appropriate proposals shortly and then in 1982 describe and make proposals regarding the budgetary implications.

We had in fact expected this to be done in 1981, so that the 1982 budget might be shaped accordingly from the outset. The relatively inadequate instrument that has now been proposed is not so very different from earlier attempts made by Parliament, except that rather more use is to be made of Chapter 100 as a means of influencing policy. But it is precisely this that Mr Tugendhat is again criticizing, because he feels it will make things cumbersome in some ways and so on. What he would like to see is the Commission being able to act without Parliament exercising any influence over these matters as things now stand. He is shaking his head — all right, he will have a chance to show that I am mistaken. But I recall remarks he and his Director-General made in the Committee on Budgets. You have this morning, Mr Tugendhat, reiterated the gist of the position you described at that time. I am not quite sure, therefore, how far all your remarks this morning on what the Commission can and cannot support represent your own personal opinion or are an explicit reference to decisions taken by the Commission. You should make that a little clearer. I have the impression that in many respects personal ideas play a part, without the Commission having accurately defined its position.

Lange

I now turn to the Council. The Council has the remarkable idea that Parliament must agree to its proposals if disputes are to be avoided. Can the Council not imagine that Parliament believes the Council, which for years has always tried to impose its will on Parliament, should at last accommodate itself to the positions Parliament has adopted? For what Parliament is in fact trying to do is to shape European policy in such a way that it benefits our fellow citizens and reasonable developments in the European Community, in view of the difficult, general trends which have had their effect on the Community as a result of world economic and general world political developments. Every member of the Council is perfectly well aware that no Member State is now capable of solving the problems on its own. This has been said untold times, but when it comes to it, no Council, whatever its composition — the Council of Finance or Foreign Ministers or the Budget Council — is able or willing to translate this awareness into deeds. This is a crucial deficiency, which can in fact be put down to the Council's own weakness at taking decisions.

And now another point that concerns the Council. It undoubtedly did well to put to us the proposal, which we accepted, that Parliament and the Council should discuss the classification of expenditure within the next six months. But has the Council forgotten that in April Parliament compiled a whole list of questions — the rapporteur at the time being Mr Adonnino — which were to be discussed with the Council in the presence of the Commission? One of these questions concerned the classification of expenditure. Parliament requested that we sit down together in the second half of November and come to an agreement on the classification of expenditure under the 1982 budget. The Council should bear that in mind. It cannot therefore pretend that Parliament is to blame for these difficulties. The Council has only itself to blame for difficulties of this nature, since it did not respond to Parliament's request.

I have already referred in the Committee on Budgets to another strange attitude. We shall be told that reaching an agreement on this or that proposal was a very difficult process for the Council, that it was only with great difficulty that a compromise was reached in the Council and Parliament should, for pity's sake, accept the compromise the Council has reached. Has the Council really forgotten that the budgetary authority consists of two parts, which must — in normal circumstances — cooperate and come to an agreement? Is the Council forgetting that it must seek a compromise with *Parliament*, not just among the members of the Council? This is the other cause of the difficulties now facing the Council.

The present classification of expenditure is absolutely arbitrary, having no legal basis. An analysis of requirements set out in the Treaty or subsequent legislation reveals a completely different classification. I will not

go into detail now, but simply say that the Treaty does not require any payments at all to be made and that, where the agricultural policy and the regulations are concerned, at best only half of what is regarded as imperative expenditure is in fact imperative.

Mr President of the Council, if we sit down together to discuss the question of the classification of expenditure, we should try to look at this whole matter objectively and to drop the subjective and therefore arbitrary view taken by the Council, so that there are no more disputes in the future. Consequently, Mr President of the Council, you will be receiving at the end of January through your representatives in Parliament a paper which will show you what expenditure is required by the Treaty and statutory provisions, or market organizations.

As I have just said, I do not want to go into this in any detail, but I did want to mention it. We have already discussed the need, Mr President of the Council, for these things to be looked at objectively, so that subjective and other factors may be excluded.

If the Council is unable to agree to this, I can only conclude, to judge by the attitude it has repeatedly adopted over the last five years, that it believes it is the only decision-making body, that it would like to turn the clock back on the powers conferred on Parliament by the 1975 agreement on financial and budgetary provisions and so on as a supplement to the 1970 Luxembourg agreement and to set itself up as the only decision-making body. There are, of course, quite a number of functions which the Treaty does not permit the Council to perform, which are in fact the responsibility of the Commission as the Community's quasi-executive. Our future talks must therefore quite simply concentrate on the objective foundations laid by the Treaty, however contradictory they may be: we shall have to agree on interpretations. That will put a new face on quite a number of things, and we shall find it easier to discuss quite a few subjects in future. And the Commission will be involved in this business.

As regards the decisions to be taken this week, I can say, whether or not 218 votes are cast in favour of all the proposals made by the Committee on Budgets, that this committee at least has tried not to exceed the limits that were imposed. So we are a long way from the limits the maximum rate imposes on Parliament to all intents and purposes, and I feel the Council should also take this into account. At the moment we have two different legal viewpoints. We should wait and see what decision Parliament actually takes on Thursday, and the Council should then, as matters stand, accept Parliament's decision, which will certainly not be what the Committee on Budgets has proposed. That would solve the problem, and the dispute could be avoided. Nobody from the Council, not even you, Mr President, can therefore claim that Parliament wants a dispute or has set a collision course. Through the attitude it has again adopted during this year's budgetary

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procedure and through the decisions it has taken, the Council has done a great deal to make things more difficult. The Council should realize that.

I do not intend to say anything, Mr President of the Council, about the impression your efforts have created. I have already made it very clear on another occasion that I not only respect but, unlike other Presidencies in the past, fully approve the way in which the British Presidency has acted. But as Mr Ridley or Lord Carrington does not stand before us to express his own personal desires, but must respect the discipline of the Council, I have no choice — irrespective of my appreciation for your personal endeavours — but to say to you in your capacity as President of the Council what I have said.

I therefore urge you to convince your colleagues in the other governments that they must rid themselves of a certain attitude, what I call the arrogance of power. For the governments believe they can do what they like here in Europe, without any kind of parliamentary control, and then claim that enormous savings have been made.

Mr President of the Council, just imagine Parliament decided to reject the supplementary budget. Something along these lines has been considered in certain parts of Parliament. Where would the savings in expenditure then be? The Member States should think about that as well. It looks as if the trend in world market prices on the various agricultural markets will continue as it is for a while. If that is so, the Council — and various governments — have absolutely no cause to seek a dispute with Parliament now.

Another thing: there is something that has not been brought to a conclusion as was originally intended. I warn against allowing the lawyers to take the place of the politicians. I am opposed, and we should all be opposed, to controversial political questions — even if they are linked to legal bases provided by the Treaty or legislation — being settled by the Court of Justice. These political decisions, difficult though they are, must be taken by us, and each and every one of us has a duty to help ensure that we together find political solutions, because otherwise, ladies and gentlemen, I have grave doubts about the future of the Community.

As a Community we do not have much more time, and it would be good thing for the Commission and the Council, and Parliament too, to arrive at an all-embracing concept of the continued development of the Community and so render our citizens the service they have a right to expect of us, which is to provide them with economic and social security and so safeguard peace.

(Applause)

President. — I call Mr Saby.

Mr Saby. — *(FR)* Mr President, at the first reading of the budget we had hoped to see some positive signs of a movement towards new policies. Indeed, in the case of the Social Fund and the Regional Fund, we did see the beginnings of such a movement with the submission of certain proposals. Today, at the second reading, we find all this progress being called in question and virtually nullified. It is for us distressing that it should have come to this.

We do not want a conflict with the Council, we do not want a conflict in view of the situation in the Community. How can we explain today to the 9 million unemployed that the budget of Parliament has not been voted because of a procedural wrangle over the classification of expenditure into compulsory and non-compulsory? Show me the European worker who would understand that! Can we be provoking a conflict about questions of authority or of procedure at a time when the economic situation in our ten Community countries is deteriorating month by month? Can we be provoking a conflict, today, on the occasion of the budget, at a time when it is so urgent and increasingly necessary that we finally work out and implement new common policies to deal with the reality and to give us practical measures that will enable the economic situation of our countries in the Community to be remedied?

Mr President, there you have the objective reasons why, for us French Socialists, there can be no question of looking for a fight. There are, however, one or two things that have to be said.

The Council has told us that these classification problems that have been talked about will be discussed in January and we duly take note of that fact. All the same, I would like to draw the Council's attention to the contradiction between today's debate and the financial realities involved. Why should there be a conflict? Quite simply because the Council, Parliament and the institutions are unable to reach agreement on a matter involving less than 1% of the Community budget. What are we fighting over? Just 200 or 250 million ECU. What do we think we are playing at?

Our wish, in Parliament and within our group, is, I repeat, to avoid entering into a conflict. And I put this question: Is the Council, leaving aside trials of strength, leaving aside procedural questions, is it prepared, for the sake of less than 1% of the budget, to be responsible for presenting before all the peoples of Europe the spectacle of a conflict which will do nothing to help us decide what we have to do, what urgently needs to be done to correct the situation in our own countries and in Europe?

(Applause from the Socialist Group)

President. — I call Mr Langes.

Mr Langes. — (DE) Mr President, ladies and gentlemen, I shall refer to only one aspect of our budgetary deliberations, supplementary budget No 2 for 1981. It is clear that the European Community is unique in budgetary terms, since — to put it positively — expenditure under the budget of the European Community never exceeds revenue, as all the textbooks on economics and especially national economics require.

The European Community does not have any debts and does not therefore have to pay any interest on debts. This makes it really unique, when you consider the countries of Europe as a whole. To put it negatively, however, as Mr Saby has just emphasized, this means that, although the Treaties allow us 1% of value added tax as the Community's own revenue — and this is where the situation is very odd — this revenue is determined by expenditure. This is a reversal of normal practice. If the European Community has more of its own revenue, but expenditure has previously been reduced by the Council, resources are suddenly available which do not, as some countries, the Federal Republic, for example, maintain, flow back: it is simply unused revenue, which has been contributed by the citizens or consumers and all at once finds its way into the national coffers. That is the way it is under the Treaties — unfortunately — and we feel changes must be made. It can be changed under the Treaties. In the area of institutional changes, we are thus confronted with the demand that the European Parliament's own revenue should also be regarded as own revenue, which means that, if revenue has been too high, the surplus must be carried over to the next year. This is consistent with our policy.

All we can do therefore is raise our hands rather helplessly and say that the term 'flow back', so popular with some governments, is wrong. They do not get anything back: we have a surplus. That is the subtle and essential difference.

Mr President of the Council, we Christian Democrats were pleased to hear that the Council has evidently shown courage and approved the 62.5m EUA for social and restructuring measures in the iron and steel industry by a majority and intends to stand by this majority decision. We welcome the Council's courage in saying 'yes' despite the vote of one government, the Federal Government, and I call on you, ladies and gentlemen, to have the courage to approve this item in the supplementary budget.

Mr President of the Council, I call on you to show even more courage and not to wait until a regulation has been created before these funds are transferred from the budget of the European Community to the ECSC budget. Parliament does not believe you need a regulation for this. You do not need to begin by asking the Federal Government whether the transfer is legally admissible. Make the transfer by a majority decision. We make this appeal to the Council so that we may

feel that it is really making policy and not just seeking to compromise at the level of the lowest common denominator.

We of the European Parliament are prepared to approve this 62.5m EUA for you. Have the courage to spend it this year. The means exist. Do without a legal act which you do not need.

Ladies and gentlemen, you can perhaps see from this example how important budgetary policy is, because, slowly but surely, it shows that the European Community really is a Community for all the people and in this case for the workers, 10 million of whom are at present unemployed in the Community.

We are not prepared to put up with obstructionism from any government. I therefore urge you to approve the amendments submitted by the Committee on Budgets to the three items of the supplementary budget, because this will benefit the European Community.

President. — I call Mr Price.

Mr Price. — Mr President, when we approach the budget in the national parliaments it is usually a time of year when attention is focused on priorities and on figures. But in the European Community each year we seem to have our attention diverted by disputes about procedure and legal rights. I think that this is undesirable, and Parliament has repeatedly called upon the Council to enter into talks with it in order to resolve some of those disputes and create a basis which would enable discussions to take place on issues of priority. The Council's response has been late in the day — 23 November in this year, just before the second reading of the budget and too late to accomplish anything this year in that wider context.

I believe it is of the utmost importance that we make a success of those talks early next year, and at this stage I feel that we should give the Council the benefit of what must be a very real doubt about its flexibility, that we should give the benefit of that doubt to the Council in seeking to create a basis for an agreement on the 1982 budget. For that reason I hope that the House will itself stretch the Council in the amendments that it passes, but not beyond the limits of reasonable good will.

In the longer term, it seems to me that we may find ourselves in a position where we need Treaty amendments and that the talks on classification in the course of next year may well reveal that it is a lot easier to reach a solution for the bigger issue than for the smaller one. Talks about classification are bedevilled by the fact that the provisions contained in the Treaty relating to classification are very artificial, according to whether expenditure follows necessarily from the

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Treaty or acts adopted in accordance therewith. It is a very artificial basis and it may well be that we will find in the end that it is easier to reach agreement upon some kind of Treaty amendment, even if it has to be carried by all the national parliaments, than to reach a solution on issues of classification. I hope that that is not the case because it would obviously postpone such agreement. But I think that it is a thought that needs to be borne in mind.

The other thing is that in the annual budget procedure we find tactics are very much the order of the day, i.e. tactics between the institutions. A tactic that the Council has used annually is one of preempting Parliament's margin by ensuring that the structural funds are pruned back on first reading to levels where Parliament is bound to use up its margin in restoring them to reasonable levels. And I think that in the course of the next year we might give some thought to the possibility of some kind of informal agreement between the Council and Parliament whereby the Council will annually seek to restore the Regional and Social Funds, at least in accord with the annual average rate of inflation in the Community countries, at first reading before we go any further, for example, to bring that inflation-proofing into line with the rate for the countries which actually receive the benefit, which is, of course, a higher rate than the Community average, then that might be something that Parliament will use its margin on. But it is quite unreasonable for the Council to prune back, as it is doing by means of a very cynical tactical manoeuvre, and certainly it cannot expect Parliament to accept limits of that sort.

Parliament, I believe, is anxious to ensure that the Community advances down the road of unity that it has set itself. And what we find each year is a contrast between what appears to be accord between Parliament and, for example, statements by the European Council or particular specialist councils on the one hand and the actions of the ministers responsible for the budget in the Council on the other. Because the budgets that we receive from the Council seem to reflect in no way the priorities which have been set by Parliament and by the European Council. Bold declarations are made which are simply not put into practice when it comes to agreeing the annual budget, and yet that is an instrument of progress and change. If we are to achieve the Community that we have set ourselves, then I believe it is essential that we should advance at a more rapid pace through the budget. I do not say that the pace should be that of the Olympic runner, but the Budget Ministers seem to be setting the pace of an entirely different species — that of the snail — and that, I believe, is totally inappropriate for the needs of the Community at the moment.

Finally, Mr President, may I comment on the cuts that the Committee on Budgets has latterly introduced in order to bring Parliament within what is seen by the rapporteur as Parliament's margin. It seems to me that this rather last minute decision was unfortunate in

some respects, because what was sought was to make large cuts in small items rather than small cuts in large items and some of those small items have, I think, been hit rather severely.

One in particular that I give some attention to is the Computer Centre. Now if we are to make advances in efficiency, the Computer Centre is one place where we can get such advances, where we may indeed be able to reduce administrative costs in the longer term by incurring some extra costs now. Furthermore, if we are to enable industry throughout the Community to keep abreast of technological developments, it is very important that we should apply them to the Community as a whole. So I hope that in looking at some of these amendments Parliament will give some thought to issues of that kind and in particular to the Computer Centre.

President. — I call Mr Baillot.

Mr Baillot. — (*FR*) Mr President, in this general discussion concerning the second reading of the 1982 budget, I should like, on behalf of the French members of the Communist and Allies Group, to give my opinion on a few aspects that are, to us, essential.

We deplore the fact that the Council should have taken Parliament at its word in cutting EAGGF expenditure, particularly in the dairy sector. It has even refused to allow a proportion of the appropriations to be used to increase the subsidy for suckling cows, which would have made it possible to cut back on processing to milk powder and thereby reduce EAGGF expenditure in the dairy sector. In so doing, the Council is merely encouraging the majority in this House in its attacks on the common agricultural policy.

We also deplore the fact that the Council should have refused to endorse the substantial increases voted by Parliament for food aid to the developing countries. We, in fact, had called for the figures proposed by the Commission in its preliminary draft budget to be doubled. We believe that such a policy would enable us to participate effectively in the fight against world hunger and thereby give European agriculture the chance to make its contribution — which can be a major one — to this highly humanitarian action.

We deplore, finally, the fact that the Council, with its preoccupation with austerity and budgetary stringency which characterizes all its proposals, should have declined to pursue a genuine policy of stimulating European consumption and creating a European social area, which is in our view the only way to deal effectively with the ever-increasing level of unemployment and with inflation.

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At the same time, given the need to win back the European market in the face of cut-throat competition from the United States and Japan in particular, we deplore the Council's reluctance to expand its research, energy and industrial policies, which hold the key to the future.

These criticisms of the Council do not by any means absolve us from levelling criticisms at the majority of Members of this Parliament. We cannot agree with its willingness, as expressed in amendments at the second reading, to disperse the resources of the Regional and Social Funds without any precise underlying political commitment.

We are equally opposed to the inclusion of borrowing and lending operations in the budget, as also to the transfer of funds from the European Community to the ECSC, which means, in reality, placing the burden on the taxpayer rather than on the firms responsible for the collapse of our industries and the resulting consequences. We refuse to follow the majority in Parliament, which, in an arbitrary attempt to widen its powers, is seeking at any price to engage in a conflict with the Council over — this year — the classification of expenditure into non-compulsory and compulsory, a matter which is totally incomprehensible to the citizens of Europe, a conflict which cannot improve Europe's image in the eyes of public opinion.

We acknowledge the Council's willingness to enter into a dialogue on this classification issue in 1982 and we hope this dialogue will eventually have a favourable outcome. As for this 1982 budget, we stick firmly to the policies we outlined at the first reading and which the Community could finance, without exceeding the ceiling on resources, by more rigid observance of the principle of Community preference and by refraining from making any kind of presents to the United Kingdom, representing substantial additional sources of finance, as I had occasion to point out at the first reading.

In conclusion, to the extent allowed by the increase of around 150 to 200 million ECU in the budget adopted at the first reading by the Council, we shall vote for those amendments which correspond to the policies I have indicated, namely food aid to developing countries, a genuine social policy that will help counter unemployment, an energy policy, a research policy and an industrial policy. Although we harbour no illusions as to the tenor of the budget that will ultimately be adopted or its real effectiveness, we do believe it is possible to avoid a conflict between the Council and Parliament and we wish to do what we can to help prevent such a conflict.

President. — I call Mr Lalor.

Mr Lalor. — Mr President and colleagues, with the time at our disposal, one must confine oneself to the very minimum, and I will concentrate on agriculture.

Yet again, it is necessary to underline the inevitable conclusion that the common agricultural policy is the most maligned policy in Europe. It continues to be misrepresented and held responsible for the ills of the Community's financial situation. The CAP is the only integrated policy in the Community, and this should be regarded as a position of strength and not as a position of weakness.

The recent amendment passed by the European Parliament on the modification of the nomenclature headings of the CAP was turned down by the Council. I wonder why. This in itself was an effort to make the budget more transparent and would have highlighted the real expenditure on the CAP. As a result, we should have been able to show clearly that expenditure on the common agricultural policy was 12% less than it was made out to be. We should have seen that expenditure on the CAP is closer to 49% of the budget. Therefore the Council has yet again maligned the only true policy of the Community — namely, the CAP. Agricultural expenditure from the Community budget is alleged to be 61%, but the Committee on Agriculture, the Committee on Budgets and the House itself in plenary sitting fully accepted, by adopting an amendment from the Committee on Agriculture moved by my colleague, Mr Fanton, that agricultural expenditure only represented, as I have said, 49% in actual fact.

The refund to the UK under the unacceptable conditions of *juste retour* is based, to a very large extent, on the total EAGGF expenditure of the Community budget. As I have outlined, this expenditure represents 49% and not an ECU more or less. The Council rejected Parliament's amendment to this effect, whose sole aim was to clarify agricultural expenditure and thereby introduce transparency into the Community budget. It would have become obvious that in fact agricultural expenditure only represents 49%. Colleagues, this means, in a nutshell, that the so-called refund to the UK should be based on reality — in other words, on 49% of the Community budget and not on 61%. By rejecting Parliament's amendment, which otherwise had no financial implications, was not the Council of Ministers seeking the back door to ensure that the UK received more than it was entitled to at the expense of other countries, particularly Ireland? This year alone the facts have proved that the UK received far more than it should have received, and in this regard I am very anxious that the Commission should yet, during this debate, inform the Assembly how they propose to arrange for the reimbursement of what has actually been overpaid.

In conclusion, it has now been established that the UK refund is based not only on agricultural spending but also on food aid to third countries, along with a series of political agreements with third countries which in themselves have absolutely nothing to do with European agriculture. Let me say, Mr President, 'no' to a

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budget based on a totally false premise, and 'no' to a budget based on the mandate.

President. — I call Mr Pannella.

Mr Pannella. — (FR) Mr President, I believe that until we have a radical change in policy and so long as this Parliament is prepared to present Europe with the kind of spectacle it presented here yesterday in the face of events in Poland, we shall not be able to claim, on the budget level, that there has been a 'qualitative leap forward', in other words that we are seeing the emergence of a Europe different from the one we are seeing at the moment, a Europe plunged into an ever-deepening crisis.

This year, Mr President, the Committee on Budgets has adopted a position thanks to the efforts — if I may say so, for he is far from being a political ally of mine — of the rapporteur, Mr Spinelli. Clearly there has been a shift in Parliament's position compared to last year and compared to two years ago, and not only for the worse.

It is however quite obvious, Mr President, that we remember our unfortunate experience with the provisional twelfths. Two years ago we had the courage to reject the budget. Today Parliament is more discreet. It does not want to run the risk of having to endure minor financial difficulties in the months of January, February, March. That is the attitude of this Parliament, there is no getting away from the fact. It is not that I am resigning myself to it, but it is clear that the political forces in Parliament have adopted a cautious attitude with regard to an international situation in which nothing is ever quite what it seems. In the next day or two we shall no doubt be speaking passionately about Poland's terrible food situation, whereas the reality is quite different from what we are willing to believe. To prove what I am saying, back in September, behind all the posturing over missiles, Mr Reagan signed an 18 million tonne grain deal with Mr Brezhnev, and now we, over the next few days, are going to be concerning ourselves with maintaining our food aid to the Polish people.

Finally, Mr President, I do not believe that I have all that much to say on the subject of parliamentary morality, the kind of morality which consists in proposing things to those who are politically deaf. It is a sport that I do not go in for. Let me say quite simply that I hope that Parliament will at least follow the lead given by the Committee on Budgets and its rapporteur. I trust the Commission will accept this budget without further ado.

What else is there to say except that I see that the Council, and ourselves, have agreed to the entry in the budget of 10 million ECU for aid to the poor people

of Poland, who are hungry, certainly, but more for freedom than for grain. We are in part to blame.

Indeed, at the very time when their freedoms are being crushed, the Council, which is the personification of the Europe of Munich, of a cowardly Europe, this Council had decided to cut as far as it possibly could the aid to the Third World, aid to the thirty million people who are going to die of hunger, but it has not dared to touch — because these are white people, Europeans — the 10 million ECU for Poland! It is something we should think about. Let me repeat, Mr President, that I hope this Parliament — although I have no faith in its political line — will see it through to the bitter end, listen to the advice of its rapporteurs and, at the end of the day, let it be the Commission that picks up the pieces with the Council.

(The sitting was adjourned at 1 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR MØLLER

Vice-President

President. — We shall continue with our debate on the three budget reports.

I call Mr Kallias.

Mr Kallias. — (GR) Mr President, I want to voice some rather general opinions which may serve as useful pointers that could contribute towards an agreement between the Community's basic organs during the negotiations which have to take place.

The large percentage of the budget absorbed by the common agricultural policy often provokes controversy and requests for cuts. However, this would be a fundamental mistake. Price protection for agricultural products is not simply a policy but, I would add, a desirable institution and an ideology with far-reaching social consequences. Long-term food supplies of essential agricultural products for human consumption can only be guaranteed throughout Europe and the world in general by price protection. Otherwise, in time farming will be abandoned because the farming industry is unprofitable. Farming cannot withstand the expense of production and harvesting unaided while production is jeopardized every year by all kinds of environmental factors.

Furthermore, in the case of many products it is practically impossible to plan for balanced supply and demand, and agriculture, the world's major source of food, undergoes a crisis at almost every harvest. For this reason I accord absolute priority to the common

Kallias

agricultural policy without underestimating other policies such as the social policy and regional development which, in my opinion, is next in importance after the agricultural policy.

However, equal protection for the North and South is the prerequisite for the success of the agricultural policy as well as being a fundamental requirement of social justice within the Community, particularly for Mediterranean products which also include Greek products. I want to point out that they employ a much larger proportion of the active population of the country in which they are produced, but also, compared to the amount of products produced, they employ more farmers.

Furthermore, in Mediterranean Europe the economic position of farming families is much lower than that of the stock-breeders of the North and, consequently, the social need for price support is that much greater.

As regards the regional development policy — and this is very important — I believe that in order for it to be equally beneficial for all the people of Europe it must be reformed so as to reduce the amount of expenditure contributed to programmes by the economically weaker countries which generally have a national per capita income lower than the Community average. Perhaps other policies are extremely important, more up-to-date and impressive, but they should not contravene the Community's three basic aims.

There is another institutional point which is a matter of urgency as regards the Community's relations with associated countries and third countries. It is unacceptable to continue to strengthen and honour association agreements with countries that have abolished democracy and violate human rights, such as the Turkish dictatorship. Although individual States sometimes implement short-sighted or short-term policies making compromises and deals for their own benefit, such a policy is absurd for the European Economic Community which is a unique union based on ideological principles which it should never forget nor contravene. And in this connection I want to praise the elegant declaration of faith in the system of parliamentary democracy and respect for human rights made by the European Council in Copenhagen on 7 and 8 April 1975.

Finally, I hope that from now until the day and time when the vote is taken the Community's three main organs manage to reach further agreement. This would be a great service for both the present and future stages of Community operations.

President. — I call Mr Balfe.

Mr Balfe. — Some weeks ago the President-in-Office of the Council of Ministers, answering a question in

the British House of Commons, told the British people that membership of the Common Market had cost Britain about one million pounds a day since it joined. Many of those of us who represent the urban areas of London wonder where that million pounds a day has gone, because those of us who represent the urban black spots are not in receipt of much money out of this Community and we do not see the Regional and Social Funds, which are going to be the funds on which our people depend, expanding at the rate they should be. On a rough calculation the area I represent has paid in some 33 million pounds to the EEC since we joined. On a rough calculation what they got out works out at about 1.5 million pounds, which must in some way qualify as the worst bargain in recent memory.

Now that is just one area. What we are looking for though, if the Community is to grow and to be balanced, is an input into the social black spots of the Community of a much greater sum of money, which will mean greatly expanded Social and Regional Funds with different definitions which enable the money to be put into the areas where it is actually needed.

I know the President-in-Office will be familiar with the concept of black spots because they have exercised the imagination of the British Parliament itself, yet we have precious little in the way of refining the Social and Regional Funds in such a way that their budget can be expanded so that those who are in the greatest need can have access to some of the money from this Community. It is in the area of the Regional and Social Funds, though we realize there have been increases, that our greatest disappointment lies, not only because the Regional Fund will probably at the end of voting represent less in real terms than it did last year, but also because the review of guidelines for the Regional and Social Funds, although taking place, is being carried out in too leisurely a way and, we feel, without the very eager assistance of the Presidency, certainly without the assistance of the Presidency acting as custodians of their own country.

In particular we look forward to the money for Northern Ireland being placed in the budget and being spent within the budget. Of all the areas within the Community it is now acknowledged that Northern Ireland and Naples have the worst urban social conditions. The fact of the matter is that a start must be made, and must be made soon, on getting the projects in Northern Ireland under way and the money spent.

The final point that I would like to make is this: there were two very small amounts of money included in the budget which were removed by the Council. This was the money for the European Music Year and for the European Community Youth Orchestra. Music is the one language we have in Europe where you do not need a translation system. It is the one language we have where people can manage to derive fulfilment and enjoyment irrespective of national boundaries. I

Balfe

hope not only that Parliament will reinstate these amounts for those two projects — amounting, incidentally, to under 70 000 units of account but that, once they are reinstated, in future years the Council will look much more favourably on the need for expenditure of this type, which is really an extremely small amount of Community expenditure but is probably among the more worthwhile things this Community is able to do.

Mr President, many of us regret the course that this budget has taken, regret the lack of adequate increases in the Regional and Social Funds and regret that the definitions have not been sharpened up to enable money to be put into the urban stress areas. We hope that both the Council and to a lesser extent the Commission, which does have a better record, will take on board all of these points and that next year at this time we may have a slightly happier situation.

President. — I call Mr Barbi.

Mr Barbi. — (*IT*) Mr President, from the discussion of the budget two important aspects have emerged, aspects which are significant also with respect to the assessment of the amounts appropriated. Parenthetically, let it be said that these amounts, except for the EAGGF Guarantee Section, are all quite modest, if we consider that they have to do with a Community of nearly 300 million citizens.

Of these two aspects, one is formal and procedural; the other is a matter of substance. The first concerns the classification of expenditure as 'compulsory' and 'non-compulsory', a distinction on which there exists a clear disagreement between the Council and Parliament.

According to the Council, all expenditure which the Council itself unilaterally defines as such must be considered 'compulsory'. In consequence, those on which Parliament has the last word and where it can exercise its real budgetary power become 'non-compulsory'; the 'non-compulsory' ones are only those which the Council arbitrarily and unilaterally accepts. For its part Parliament has no intention of permitting such a severe and unjust limitation of its powers, and it considers as compulsory those expenditures which, according to the Treaty and the financial regulation, are accepted as such by all three institutions: Council, Commission, and Parliament.

The Council knows it is in the wrong on this question: so much so that it proposes to initiate negotiations among the three institutions prior to the beginning of the budget procedure for 1983. For the budget now in question, however, it will not renounce its own unilateral evaluation, and it reduces to practically nothing the margin for manoeuvre reserved for Parliament and estimated by Parliament at 445 million ECU's.

It is certainly not for the sake of the sum in itself — which, I repeat, is a relatively modest one — that I believe that this Parliament must reject the Council's attitude, but rather in order to defend its own budgetary power and to avoid coming to the negotiations planned for next year in a weakened position. Someone has expressed the anxiety that, confronted with a budget drawn up and adopted according to Parliament's criteria, the Council, or at the very least some Member State, might have recourse to the Court of Justice. We welcome a decision from the Court of Justice: Parliament cannot and should not fear the evaluation of its position in the light of a clear and objective interpretation of the treaties. I believe therefore that for the distinction between compulsory and non-compulsory expenditure we should approve the proposal of the Committee on Budgets. I also think that everyone should appreciate the moderation with which the Committee on Budgets has used the margin for manoeuvre, restricting the increases to around 350 million ECU's, well under the maximum limit.

Now we come to the second aspect: the substantive one, that is, the political evaluation of Community expenditure. The Council maintains that it cannot increase Community expenditure, either in a realistic and effective manner by removing the 1% VAT ceiling, or in a symbolic manner, with these three or four hundred million ECU's we have been speaking of. The Council maintains that it cannot increase expenditure because this would be in contradiction with the policy of economy, of reduction of public expenditure, that is, the policy of austerity — it is said — which the national governments are obliged to pursue in the present situation.

This is a hypocritical attitude, an effort at political mystification, which we parliamentarians elected by the people of Europe must clearly and forcefully refute. We cannot and we must not permit the men of our government — and I appeal particularly to our Socialist and Conservative members, whose colleagues are part of the most important governments of Europe — to support the anti-Community and anti-European thesis which holds that Community expenditures are economically useless, unproductive, or at best supplementary instead of substitutive in respect to national expenditures.

If this were truly the case, it would be necessary to abolish this Community and to close this Parliament; but this is not the case. The Ministers and Heads of Government are well aware of it; our farmers, workers, and businessmen know it; if a criticism is made it is to the effect that the self-sufficiency attained by Europe in the area of food supply has not yet been attained in the area of energy supply as well; to the effect that the expansion of so much agricultural production has not been accompanied by a comparable expansion in industrial production; to the effect that certain important steps on the way to a common market have not been fully carried out, removing the

Barbi

many hidden obstacles which yet impede its realization; to the effect that transport within the Community is still at a fragmentary level, constituting one of the most serious obstacles to the effective realization of the common market; to the effect that the regional disparities and the imbalances between our economies are still what they were at the time of the signing of the Treaty of Rome, and form a heavy burden not only for the disadvantaged regions but also for the stronger economies.

The Council of the Communities and the European Council itself have repeatedly given proof of their awareness of these things: in Bremen, when the Council proposed the EMS it indicated the need to promote the convergence of our economies; in Venice, when it underlined the need for a Community policy on energy, and also more recently, when it announced European policies for industrial reconversion and for transport — policies which have remained a dead letter for the very simple reason that the Council did not have the courage to translate them into concrete projects by giving them the necessary financial support.

Mr President, in my country we say, 'dried figs are not enough for a wedding feast.' I would like to say to the Council that the funds allotted to Community policies are not taken from the national budgets, they are not useless or unproductive expenditures. On the contrary, they are the most useful and the most profitable expenditures, precisely because some of our serious economic and social problems can only be solved today on the Community level, and only on this level can certain appropriations give positive economic results for each and all of us.

For these reasons, at once political and economic, this Parliament must forcefully reject the demagogical affirmation that the Community economies should correspond with a senseless symmetry to the national economies. For these political and moral reasons Parliament should condemn and expose to public derision the near-sighted miserliness with which the Council mutilates the Community budget.

In approving the proposals of the Committee on Budgets Parliament intends to demonstrate its own political will to give a clear-sighted beginning — even if only symbolically for this year — to the development of the new Community policies which have been announced.

President. — I call Mr Alavanos.

Mr Alavanos. — (GR) Mr President, today's discussion on the budget has taken on the appearance of a clash between two of the Community's organs, the Council and Parliament. However, for us to get caught up in the dilemma as to whether we should

support the opinion of the Council or that of the European Parliament's Committee on Budgets would in fact be a trap as far as the interests of Greek workers are concerned. To this end, as a representative of the Communist Party of Greece, I have the following points to make:

First, we are opposed to the budget, as drawn up by the Council, because it is based on a progressive relative decrease in agricultural expenditure, on the refusal to accept the need for agricultural policy reform in favour of Mediterranean products, on the disregard of the huge problems of regional development, on the absence of essential measures to deal with the problem of unemployment for the benefit of those who are unemployed rather than for those who are creating unemployment, and on the absence of essential measures in favour of the principle of Community preference for agricultural products, chiefly in connection with competition from the USA. All these factors seriously threaten in real terms the interests of the Greek workers of our country. We consider as a positive action the fact that the Greek government voted against the budget in the Council. However, in order that this act of defiance may achieve practical results beyond the realm of arms expenditure, we expect the government at the very least to refuse to comply with a number of Community obligations and burdens imposed directly or indirectly by the budget.

Second, in addition to being opposed to the Council's position, we are even more directly opposed to the position of the European Parliament's Committee on Budgets. This is because its criticism of the Council generally has its roots in attacks against the sovereign rights of Member States, in the downgrading of agricultural expenditure and, more generally, in the imposition of the economic and monetary union of the EEC, despite of and in defiance of the will of certain Member States.

Third, we completely disagree with the proposal of the Spinelli report that expenditure on which there is agreement between the European Parliament, the Council and the Commission should be considered obligatory. Such an arrangement would result in the European Parliament, which functions on the basis of the principle of majority decisions, using this stratagem to implement a substantial reduction in agricultural expenditure and to inflict a fresh blow upon the rights of the Member States in the Council.

Fourth, we also agree that eventually there must be some change in the procedure of drawing up the European Communities' budget. However, this change is not to be found by totally denying the rights of Member States and by openly imposing the law of the strongest by means of the European Parliament. On the contrary, it is to be found by implementing the right of veto which alone can deal with the imbalances in cooperation between the Member States. We shall convey this position to the Greek government as long

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as, of course, during next year steps have not been taken to hold the referendum to pull Greece out of the EEC.

Fifth and finally, amongst the proposed amendments made by the European Parliament's Committee on Budgets, we did manage to find some positive points, mainly in connection with regional and social expenditure. However, because of the limited amount and nature of expenditure allocated to these areas within the context of the Committee on Budget's proposals as a whole, because of the generally negative spirit of the report, we feel that this only amounts to, despite the good intentions of certain quarters, a pretext as part of an initiative which attacks the sovereign rights of the Member States. We shall support these positive amendments, but we refuse, as representatives of the Communist Party of Greece, to give any justification to the Spinelli report and for this reason we shall vote against it as a whole.

President. — I call Mr Gendebien.

Mr Gendebien. — (*FR*) Mr President, I should like, in the context of this general discussion, to devote my speech to the problem of the appropriations for Poland. Since appropriations have been set aside in the Community budget for food aid to that country no one could in fact prevent us now from speaking out about the recent dramatic events there.

Let me say first of all how much I deplore the fact that the Bureau should have seen fit to put off the urgent debate on this matter until Thursday night. Have we really to talk about it before a virtually empty House, in the middle of the night, as if we were a shameful band of robbers? Are we to be the last to make ourselves heard, after public opinion, after the demonstrators in all our major cities, after the Ministers, after a good many Heads of State? It seems incredible and intolerable to me that Parliament should have been unable to arrange a two-hour debate on Poland either today or tomorrow morning, but at any rate before the debate on the Council Presidency.

The question we are faced with is in fact an important one. Is Europe going to speak with one voice? What will be its attitude? What to do about the food aid provided for? Then again, for we have to make a distinction, what to do about the economic and financial aid offered by the Member States; in particular, what line to take over the problem of interest charges and repayments?

Let us first consider food aid, both official and private, resulting from donations and collections by non-governmental organizations. I personally am one of those who are absolutely convinced that this effort must be sustained, but on the strict condition that this aid really does reach the Polish people and not, for

instance, the army. Neutral bodies, such as the International Red Cross, would have to be able to guarantee this.

As regards economic and financial aid by governments, we believe that it should be suspended. To do otherwise would be tantamount to condoning the military takeover. There are those who will argue for discretion and say that General Jaruzelski is a lesser evil, that military forces other than Polish could be obliged to intervene if he should fail to maintain order. Certainly we have to exercise discretion, but that does not mean we should be completely blind, because the Soviet Union has in fact already taken action, even if only indirectly.

Europe has therefore to adopt a very firm attitude and exert whatever pressure it can to ensure that the newly acquired freedoms of the Polish workers can be restored in a spirit of national unity.

It is necessary for the Community to negotiate a timetable for the gradual resumption of economic and financial aid conditional on a significant easing of the measures introduced on Sunday. We stress the need for Europe to speak with one voice: that is the only way our *démarches* will have any effect.

To this end, why not call an urgent meeting of the Heads of State and Government in a European Council, before Christmas?

Poland, ladies and gentlemen, is a European land. She belongs to the patrimony of a Europe that extends beyond the frontiers of our Community of Ten. What is happening to her cannot be regarded as a mere hiccup in the passage of time, according to the unfortunate expression used in 1968 in connection with Czechoslovakia. It is an affair that epitomizes the universal struggle, as much in the East as in the West, of men against oppression, against tyranny, against the so-called reason of State. In the circumstances, is it not nonsense to speak of Polish internal affairs? Certain European leaders have contented themselves with taking note of what they refer to as Polish-style solutions. We have never heard them express anything other than their concern and their anxiety, but scarcely disapproval or condemnation. Once again diplomatic language has cloaked inaction and faint-heartedness.

What would have happened, I wonder, if some Spanish generals had assumed power in Madrid following a coup last Sunday morning? The entire European left would, quite properly, have reacted with extreme vigour. It would not simply have acknowledged the right of the Spanish people to sort out their own problems, it would not simply have deplored, as the motion for a resolution of the Socialist Group does, it would have condemned, as does the motion for a resolution of the Italian Communist Group.

Gendebien

Whether it concerns Chile, or Turkey, or Poland, or whatever country, Europe must speak with one voice and with a firm and clear voice at that. It should be conscious of the fact that freedoms are fragile even here and that in our world any attack on human rights is an attack on the whole of humanity. In short, whatever action the Community may take, let us be careful to avoid stabbing the Polish people in the back under the vain and fallacious pretext of buying peace.

President. — Mr Gendebien, we have all been deeply moved by your words, but I should like to remark briefly that yesterday Parliament gave wholehearted approval, with only one single dissenting voice, to what the President of Parliament, Mrs Simone Veil, had to say about the situation in Poland. I regret that the agenda as adopted does not permit us to hold a debate on Poland before Thursday, but that is how the matter stands, Mr Gendebien. I personally should have no objection to a debate being organized for an earlier time.

Mr Gendebien. — *(FR)* Mr President, an amount has been entered in the budget for food aid to Poland and in the context of a general budget debate any Member can talk about any subject he likes. Besides, our debates are organized in such a way that tomorrow only the heads of the political groups will be allowed to speak in the debate following Mrs Thatcher's statement. I felt it was vital to be able to speak about this matter today, rather than on Thursday night at 11 o'clock or midnight, when there will be nobody here to hear what we are saying, and I thought that in the speaking time allotted to me today I could legitimately speak on whatever subject I saw fit.

President. — Mr Gendebien, if you think that my remark was intended as a reproach in any shape or form, you have completely misunderstood me. On the contrary, I agree with you entirely. I merely wished to point out to you that the President had voiced all our feelings and views yesterday. We have a great deal on the agenda, even though the matter you have raised may well be the most important item. Certainly nobody would wish to find fault with you for raising this question during the budget debate, since the budget does include appropriations for Poland. On the other hand I should like to make it clear that we all share your feelings on this matter, irrespective of whether we get to express them on Monday, Tuesday or Thursday. I hope that you are happy with that, Mr Gendebien.

I call Mr Georgiadis.

Mr Georgiadis. — *(GR)* Mr President, dear colleagues, we Greek Socialists are fully aware of the fact that just as in the previous exercise of drawing up the budget, so in this final phase of discussion on the

Community's budget, the European Parliament's powers to bring about any substantial improvement to the budget's original structure and aims are almost non-existent and amount to nothing more than a sham. Of course, we are not ignorant of nor do we overlook Parliament's attempts to exercise its political role and to press continually and systematically to reform and correct the imbalances in the Community's budget. However, the fact remains that the 1982 budget, despite the European Parliament's advice and despite the undoubted deadlocks which the budget continues to provoke, is static and inflexible without any substantial changes to its structure and its aims having been made. In reality it amounts to a move in the wrong direction if one takes into account the increased demands and different needs of present circumstances. Everybody knows who is responsible for this static budget.

However, the problem is now in the hands of the European Parliament which only has two choices: total rejection or superficial compromise. Total rejection would mean that Parliament sticks by its main declarations concerning the need for radical budgetary reform and that it is sincere in its intention to press continually to ensure that this materializes, thereby justifying its political role. Superficial compromise means that the major fundamental problems of the budget's structure are ignored and that the quarrel is transferred to questions of legal and technical matters concerning the classification of expenditure and peripheral improvements. It seems that the second solution, that is compromise, is, for this year at least, the choice of the majority of Parliament.

For us this is a disheartening and inconsistent development. However, since the choice has been made, the only thing the European Parliament can do, if it wishes to increase its authority, is to make a clear declaration that henceforth it does not intend to accept any future budget unless the aims calling for balanced development, solidarity with the weaker members, a reduction of the gap between members and the implementation of real policies for redistribution are realized.

Within this framework the particular problems of the Community's Mediterranean regions must be faced with justice and dignity. The northern industries of the Community must realize that coherent and overall progress is impossible if they continue to take the lion's share while, at the same time, keeping to themselves all their advantages gained from their membership of the Community.

As far as Greece is concerned, the consequences of membership and, consequently, the attitude of the Greek people towards the Community will depend on whether others are prepared to acknowledge the special problems of the Greek economy and give help so that these problems can be dealt with properly and solved. In particular, guaranteed income for Greek

Georgiadis

farmers, agricultural modernization unfettered industrial policy, protection for small and medium-sized undertakings, and support for regional development and social policy are critical issues where Community aims will be put to the test. Overall, Greece will have a net profit for 1981 not exceeding 0.8% of the Community budget. If one considers that about one-third of Greece's income consists of artificial refunds which will gradually be reduced during the transitional period, it is clear that the real net financial profit may be reduced to nothing or turned into a deficit. If, in particular, one takes account of the negative consequences of accession on Greece's production and international trade, it is clear that Greece requires special treatment to deal with the problems arising from its accession to the Community.

The amendments under discussion proposed by the European Parliament cannot make any significant change to the above factors. Despite all this, we shall vote in favour of the partial improvements, but we will have no delusions about the limits of these amendments. We undoubtedly would have preferred it if the European Parliament had expressed the political will necessary to reject the budget as a whole.

President. — I call Mr Eisma.

Mr Eisma. — (NL) Mr President, during the second reading of the budget Parliament assesses the position adopted by the Council on the modifications proposed by Parliament to the amounts entered in the budget by the Council. The increases my fellow non-attached Members and I proposed in the area of soft energy sources, for example, did not receive enough support in November to be included in today's budget debate. We are not therefore discussing them. Next year D'66 will try to break through the nuclear lobby in this Parliament in time for the 1983 budget and to give the opportunities for developments in the soft energy sector a fairer chance.

We feel the European Parliament will need great courage to set priorities at a time when money is so scarce. It means Parliament must have the courage to make choices and delete items in favour of sectors of policy that require greater emphasis. It also means that we Members of Parliament must reduce our incomes. We were very disappointed by Parliament's inability in November to decide to reduce its own expenses: travel and subsistence allowances and the cost of equipment. Let us not have a situation like last November, when it proved impossible to get together the 218 votes required for the adoption of amendments. It is humiliating, for example, that this means the European Institute for Business Sciences in Maastricht cannot be subsidized. This is also true of various amendments tabled by the Committee on Energy and Research which could not be adopted because not enough Members were present. I therefore hope that the

Kreyszig Fund, which the amendment tabled by Mr Arfè on behalf of the Committee on Youth and Culture seeks to endow with 1.5m ECU and which has our support, will not suffer the same fate. A European bureau for international youth organizations should be given a chance to develop particularly at this time of very high unemployment among young people.

Mr President, this budget debate is also revealing opposition between North and South, this time within Europe, and it cannot be overcome with the present resources of the Social and Regional Funds. In a Community of the Ten and soon of the Twelve such opposition in socio-economic development cannot be allowed to continue, and it can only be overcome by greatly increasing the resources of these Funds. We therefore intend to support all the amendments proposed by Parliament's Committee on Budgets seeking to increase the resources of both Funds, even if this may result in a dispute between the Council and Parliament. We feel it is a good idea for the Council and Parliament to reach more detailed and clearer agreements in the coming year on the difference between compulsory and non-compulsory expenditure. We find it surprising that the Council and Parliament have not already begun discussions on this subject. The question will undoubtedly again arise as to whether the approval of the budget by the two parts of the budgetary authority represents sufficient a formal basis for the budget to be implemented. In other words, are separate regulations also needed before certain items of the budget can be implemented, even though, it should be noted, the Council must again agree unanimously on these regulations? Is that really necessary, we ask the Council?

Mr President, as the 1984 elections to the European Parliament approach, there should be growing awareness in the Council that the curtailment of powers and the maintenance of procedures that have the effect of neutralizing each other may have disastrous consequences for Parliament's image, which is not strong even now.

President. — I call Mr Fich.

Mr Fich. — (DA) Mr President, it is worth taking a look at what has happened in the budgetary procedure up to now. What has happened is this: — agricultural expenditure for 1982 has been steadily reduced through the procedure, so that things are now looking up in that respect. It is true that the EAGGF Guarantee Section funds for 1982 are still 17% above the 1981 figure, but we will naturally hope to get this reduced further in the course of 1982. It is highly significant that one of the reasons for this is that the administration of the Guarantee Section has been improved, so that the reductions have been achieved, not at the expense of farmers' earnings from the Community, but purely and simply by means of better

Fich

administration. This proves the truth of our long-standing contention that there is not necessarily any direct connection between farmers' incomes and the size of the EAGGF Guarantee funds.

And something else has happened which is worth noting, that is, the Regional Fund has been increased, if I am not mistaken, by 27% and the Social Fund by 38% in payment appropriations and I consider this quite a hefty sum which Parliament ought to be generally quite satisfied with. What seems odder is the failure to establish priorities through the budgetary procedure. What Parliament has done is to increase all the accounts it could increase. It has not given much thought to the quality of the different items of expenditure, but merely tried to make the overall amount as large as possible.

In this budgetary procedure I have been glad about one thing in particular, and that is that, on a Socialist proposal, we have succeeded in blocking the Fourth Financial Protocol on Turkey. The Council of Ministers unanimously approved our resolution and I think this is a very welcome step. It is still not clear what the Commission did during the last days of October, when it recognized that we were right and nevertheless used a very large sum — or shall we say paid out the remainder of the Third Financial protocol funds to Turkey. This is a very strange episode on which we would naturally like some clarification.

One irritating aspect of this year's budgetary negotiations has been that it has not been possible to elicit more information about the actual amount paid back to the United Kingdom. We have tried on various occasions to extract this information, but in vain. We are not opposed to the repayment, but simply want to know what it amounts to. For example, I have not yet managed to find out where the houses which are being built in Northern Ireland with the money from the special repayments to the United Kingdom actually are. Under this head no less than 33 million EUA have been allocated to house-building in Northern Ireland, but I have not yet found any Member who knew where these houses are and whether they are being built.

Mr President, a central theme in this whole debate is that of classification and that is surely a very academic matter. There are perhaps 2 000 people, not more, i.e. the staff in the Community institutions, who know what it is actually about. That leave some 270 million people who have no idea what this discussion about compulsory and non-compulsory expenditure is about. And it is also an empty debate, because the central problem should rather be the sectors the money is to be spent on. Are they well-chosen and is the money being used effectively? This is the important question, not classification. Various views are possible. Clearly, if one has a common agricultural policy, money must be spent on it. That is unavoidable. But one can think again about a number of the other sectors. Is it not the

case that the research sector is very inefficient? Is it not the case that the Regional Fund is to a large extent only a repayment mechanism? We are also all aware of the criticism which has been made recently about food aid.

The debate we ought to be having is about the impact of the appropriations: and not an academic debate about compulsory and non-compulsory expenditure. In such a debate it would, in my view, be possible to reach a compromise with the Council about the content and costs of the policy we should actually be adopting. But it does not look as if we are seeking a compromise. It looks as if we are once again on a collision course for the 1982 budget. What we shall presumably finish up with, when we have adopted our draft amendments on Thursday and the Council has given the extra that it can give, will be a difference of 0.4%, I repeat, 0.4% of the total budget and that is what people are trying to create a budget crisis about this year! I think that is ridiculous. We had a budget crisis in 1981, we had a major budget crisis in 1980, and the impression is gradually growing that Parliament is set on preventing the Community from functioning. If one considers on top of this that there are at present 85 proposals from the Council which Parliament has not dealt with and if one considers how Parliament refuses to deliver an opinion on certain matters, one is forced to the conclusion that Parliament's principal activity is to obstruct the Community's work. I do not think much of this institutional warfare, Mr President. I think it wrong. I am prepared to do battle for left against right or something else, but I think this battle between the institutions is sterile and does not lead anywhere.

President. — I call Mr Deschamps.

Mr Deschamps. — (FR) Mr President, as another speaker said a few moments ago — and, quite rightly, you did not contradict him — this budget debate cannot be, even at this stage, a purely technical debate. It is, and always will be, a political debate. My brief remarks to you now also fall into the realm of politics, the human face of politics.

I shall not, however, be following the example of Mr Gendebien. I believe in fact that, out of courtesy to this House, which has unanimously expressed its outrage at what is happening in Poland but which has unanimously decided that its response should be effective and responsible, less concerned with publicity than effect, I should await the debate which will take place here on the day appointed by this House acting unanimously.

This being a budget debate I shall speak therefore about the budgetary aspect of the Polish problem. And I shall speak on just one item, namely the amendment to the 1981 budget which provides for 10 million ECU for the transport of food supplies to Poland.

Deschamps

In speaking of these appropriations for Poland, the President of the Council referred to the exceptional situation prevailing in that country today, over which has fallen an impenetrable cloak of brooding silence which is causing great anguish to us all. This silence, this isolation and the agony that the splendid and tragic Polish people are having to suffer have, unfortunately, only served to increase the threat of famine and death which hangs over the old people, women and children there.

What I have to say to the President of the Council is that under no circumstances should the events now taking place in Poland persuade us to withdraw this amendment in favour of the Polish people or dissuade us from implementing it. On the contrary, now is the time for Europe to show its mettle, to use its energy and imagination in ensuring that this gesture which Parliament is resolved on making is translated into concrete reality. That is our will, and that is your duty.

And now I turn to the Commission, because I was both surprised and disturbed by what Mr Tugendhat had to say. Now, if I understood him correctly, he is saying that the 10 million ECU which we voted would not be entered under Article 950 and would not be used primarily for the transport of food supplies to Poland, but would be converted into 8 000 tonnes of beef!

Mr Commissioner, I do not want on this point, and I am sure I am speaking on behalf of everyone in this House, any ambiguity. From what we read in the newspapers, well before the events of Sunday, we understood, and we rejoiced at the news, that these 8 000 tonnes of beef were to be a Christmas gift from the European Community to the Polish people, an additional gift from existing stocks of Irish and French beef. It would now appear that these 8 000 tonnes do not constitute an additional gift but are merely a different way of using the 10 million ECU in the account. Let me repeat and sum up exactly what it is that we in this Parliament want. Firstly, we want a vote confirming the amendment giving the 10 million ECU for Poland and its implementation. Secondly, we want you, in your reply, to remove all ambiguity. What we are looking for is both the 10 million ECU for the transport of food supplies and the 8 000 tonnes of beef as an additional Christmas gift. Thirdly, we want you to guarantee the safety of the transports, that the food supplies are distributed and that they reach the people who need them.

The Commission must, on this last point, show as much dogged determination, imagination and efficiency as, for example, the Dutch government, which has just extracted from the Polish government an assurance that it will allow the entry of 150 trucks carrying food supplies into Poland.

I should like to have an assurance, Mr Commissioner, Mr President of the Council, that that is what the

Community really wants if, as I am sure it will, Parliament confirms by its vote the amendment which it passed last month in favour of Poland.

President. — I call the Commission.

Mr Tugendhat, Vice-President of the Commission. — Mr President, the honourable gentleman has raised an important point, but I think there is a misunderstanding which I would like to clarify.

Firstly, the Commission agreed with Parliament that it would be better for the aid to Poland to be entered under Article 950, in other words, as disaster aid. The Council refused to accept that. I argued that it should be entered under Article 950, but the Council declined to follow our advice. I am sorry about that, but there is nothing I can do about it. We have done as much as we can, and that is that.

Secondly, when the conciliation procedure took place between Parliament and the Council, the Parliamentary delegation, of which the honourable gentleman was not a member, made it quite clear that the most important thing was to secure an extra 10 million for Poland. Indeed Mr Langes said that it did not much matter which heading it was entered under so long as there was an extra 10 million for Poland. That was the point. Now, although the 10 million has not been entered in the budget in the way we would have liked, it is in the budget. The Commission therefore asked the Poles how they would like to receive the aid, because after all the object was to help them. The Polish authorities told us that the best and quickest way to do it was to provide it in the form of this extra beef, and the beef is being supplied free.

It represents an additional 10 million, 10 million that they would not have had if you had not entered it into the budget and if the Council had not agreed. Furthermore, that was the way in which the Poles said they wanted it. Now I don't know how the newspapers have reported it, but I can assure the honourable gentleman that despite the fact that the money has not been entered in the budget in the way that we would most have liked, we have gone to every effort to provide aid for the Polish people as quickly as possible and have done so in the manner that the Polish authorities, who at least until Sunday were the people who appeared to be best qualified to know what the needs would be, wished.

I do assure the honourable gentleman that Poland is far too important an issue for us to try to play games or to talk about budget lines or to go into details. We absolutely agreed with Mr Langes that the important thing was to get something to the Poles as quickly as possible in the way that they needed it.

President. — I call Mr Papaefstratiou.

Mr Papaefstratiou. — (GR) Mr President, ladies and gentlemen, there is no doubt that we are discussing the Community's budget affairs and problems under the gloomy cloud of an international economic crisis which is also having adverse effects on the European Community itself.

Unemployment in the Community is growing rapidly and, within one year from 1980 to 1981, we had an increase in the order of 12.5% and today the number of unemployed is more than 10 million. The average rate of inflation was approximately 10%, but there are wide differences between the Member States ranging from 5% to 25% which create problems for countries affected by higher inflation. There is also no doubt that there is a huge imbalance in farmers' incomes between the countries of the North and South and this is due to the unfavourable treatment of Mediterranean products.

Taking these facts into account we are called to consider the different proposals for appropriations. I don't think that we can be satisfied with the increases that we have in front of us. They are extremely small compared with the real needs existing above all in the Community's basic sectors, in other words the common agricultural policy, regional development and the Social Fund. However, the comparison of increases is even more unfavourable since, as I have already pointed out, there are different inflation rates in the Member States. Also the gap between the most-developed States of the North and the less-developed States of the South of the Community has increased rather than decreased in recent years. Matters have reached a point where, in our opinion, we should increase the growth rate of the Member States' GNP by at least 1% initially and, if in the future the situation does not improve as regards unemployment and inflation, we must have the courage to aim at an even higher figure, probably in the region of 1.5%.

More specifically, as regards the European Social Fund the proposed appropriations represent an extremely small increase over 1981 and we do not agree with this as we would have liked a more substantial increase. It should be pointed out there that, whereas the Member States are increasing their support for the European Social Fund, the same is not happening in the case of the resources provided for it and, in particular, procedures are often very slow.

As regards the remaining appropriations, we notice that in the case of Community industrial policy we have established very few common industrial programmes, amongst which we could refer to the air-bus and Ariane programmes, whereas if we coordinate attempts we can achieve better results. We believe that the situation can be improved if attempts are made to bring about a balance between the differences in the Member States of the Community. For instance, I should like to point out that we noticed that only a very small amount of appropriations have been allo-

cated for work on infrastructures in Greece, whereas much more have been allocated for other Member States which are even more developed.

Furthermore, I should like to make one small point which is of importance for us, that is, whereas the Commission considered and proposed that the number of Greek officials in the different Community organs should be increased to numbers comparable with those of other States, this has so far still not been achieved.

President. — I call Mr Pfennig.

Mr Pfennig. — (DE) Mr President, ladies and gentlemen, I have the feeling that the 1982 budget may mark the last occasion on which decisions on expenditure are taken in the traditional form. After all, that is all the Council and we are doing if you look at the situation in the cold light of day. The old budget figures have been entered once again, and despite all the expenditure planned by Parliament and the decisions it has taken in this respect, a new dimension has not been achieved.

The reason for this is relatively easy to see. Parliament called on the Commission to complete its mandate, the mandate of 30 May as it is known, by the time the budget deliberations were concluded. For various reasons this has not been done, and the 1982 budget thus hardly reflects the new political dimension of the European Community that is needed. Only agricultural spending and the Regional Fund resources take account of new or expected political tasks through their breakdown and certain reservations. This is completely unsatisfactory.

As I see it, the main obstacle is that the problem of the dominance of agricultural expenditure has still not been solved, even though the Community has now been considering it for ten years. The worst thing about it, in my view, is that constant urging by Parliament and not least, of course, favourable world market situations and exchange rates have resulted in the agricultural sector now accounting for no more than 62% of expenditure under the budget of the European Communities. I do not believe a further reduction in agricultural spending is possible, because it would result in farmers suffering further massive losses of income, which my group at least and probably the majority of Parliament find unacceptable.

Although agricultural spending will account for only 62% of the budget in 1982, we shall not be able to pursue anything like a reasonable policy in the areas to which Parliament attaches considerable importance — the regional, social, energy, transport, Mediterranean policies and so on — with the remaining 38%.

The principal reason for this is that the Commission has yet to put forward concepts capable of being

Pfennig

financed. Another reason is that, because of the budgetary problems in the Member States of the Community, the Council wants to see as little as possible of the 1% of value added tax actually used. The result is that we shall in fact spend only 0.89% of possible revenue, and this not to ease the tax burden on the Community's citizens, but so that this revenue can be diverted into the national coffers.

A particularly blatant example of this is the supplementary budget for 1981. Ladies and gentlemen, if we go on like this, we shall soon be going round in circles. The dominance of agricultural spending continues to be held up to us as an evil, while available resources are not approved for use on other policies. This ultimately reduces to the absurd our call for thought to be given to the elimination of the 1% value added tax limit. We must delay no longer in breaking out of this circle if the European Community is to survive.

We must be consistent in our demands in 1982 that the Commission put forward proposals on financing in the areas we consider important and for a reform of the structure of the budget, so that the Council is constantly compelled to take decisions that revitalize and reform the European Community. Only if we are consistent in the use of our limited resources, will we create a new political dimension and so ultimately achieve a budget that is politically satisfactory.

I would remind everyone that we do not have a great deal of time left for this, not only because election year, 1984, is fast approaching, but also because Spain and Portugal are waiting at the Community's gates for admission. If we have not given policy and thus the budget of the European Community a new dimension by then, that will be the end of this Community.

IN THE CHAIR: MR JAQUET

Vice-President

President. — I call the Committee on Agriculture.

Mr Fanton, draftsman of an opinion. — (FR) Mr President, the Committee on Agriculture was, to be honest, disappointed by the decisions of the Council.

The Council has in fact adopted a series of negative positions which it is difficult to understand, for whilst the Commission informed us of its reasons for the proposals it made, Parliament meanwhile having expressed its opinion on a number of problems, the Council has not troubled itself with any close consideration of the issues involved. It simply rejected every-

thing that had been proposed. I believe there is one minor exception, but it is so marginal that it is not worth mentioning.

There is one thing that the Committee on Agriculture found particularly worrying about the Council's attitude: it is the fact that it has rejected all the proposals for the modification of the nomenclature of the CAP. There was absolutely no additional expenditure involved, nor was there any question of endangering the process of European integration. The Committee on Agriculture's aim, and moreover Parliament's aim, had been to introduce a bit of clarity in the Community's accounting, especially in the area of agriculture. One of the previous speakers, a moment ago, spoke of agricultural expenditure being 62% of the budget. Well, I have tried, the Committee on Agriculture has tried, to demonstrate that a substantial proportion of this 62% is not due to the attitude of the farmers but to political decisions, and the sort of political decision I am referring to is the one we have been discussing today, namely aid to Poland. At the same time as the Council was rejecting this modification of nomenclature, it was agreeing — Commissioner Tugendhat has just given us an answer on this — an additional entry in the budget for Poland, and somehow contriving to have it put under the EAGGF. As if it had anything to do with the common agricultural policy! And to think that some people are amazed at the failure of the European summits! If the Council is not prepared to make the slightest effort to achieve a degree of clarity, how can one expect the Heads of State to make informed decisions when the Council is doing all it can to obfuscate these points?

Mr President, our group is not in the habit of criticizing the Council, and occasionally the Commission feels that the Council does not get its fair share of criticism. Well, today the Commission can be thankful, for in this whole business it really is the Council that is behaving in an absurd fashion!

Mr President, if I laboured the point about nomenclature it was because I really believe that if we are ever to find a way out of these institutional debates that Mr Pfennig spoke of just now we are going to have to, all of us, make an effort to introduce a little clarity into these things. Someone rightly suggested that in the whole Community there were perhaps 2 000 people — and that was being optimistic — who understood the problem of compulsory and non-compulsory expenditure, and the distinction and difference between them. Which means to say that there are countless millions of people who would not even know what we are talking about. And when there are debates on agricultural policy, the confusion into which the Council tries to throw the budget provisions can only serve to make problems even more difficult to solve.

Mr President, having dwelt a little on this aspect of things, I should like now to say a word about two problems which to us seem important. The Committee

Fanton

on Agriculture has in fact retabled all the amendments passed by this House. We hope that the House will vote them through again, in particular the ones concerning the common fisheries policy, and by doing so show the Council — and this time also show the Commission, for the Commission is scarcely more favourably disposed than the Council — will show the institutions of the Community just how much Parliament wants a common fisheries policy.

And then we also wanted to re-introduce other texts that had been approved by Parliament but in the form of proposed modifications. It appears that these are inadmissible. This time the procedural subtleties are beyond not just the 2 000 who might have understood such things, but even beyond half the Members here. Let us suppose for a moment that they are inadmissible. It does not mean that the Commission and the Council are not wrong, dare I say it, to oppose stubbornly the setting up of a Community agency for the export of agricultural products. Officials at the Commission seem to fear that this is an attempt to encroach on their competences. I have tried to explain on numerous occasions that this was not at all what the Committee on Agriculture had in mind, that all it wanted was simply to enable the Community to export its agricultural products on the best possible terms and that, as stated in the report which Sir Henry Plumb presented in June and which was adopted by Parliament, it was with the aim of making the agricultural policy more efficient that we wanted this agency set up. It is not now the case, and now it cannot be the case. I should like the Council, just for once, to show concern for efficiency. How often have we heard Ministers rebuking the Commission for failing to carry out one or other of its tasks! When one sees the Council refusing to accept suggestions from Parliament, one wonders what exactly it is about . . .

Mr President, I have said all I wanted to say on behalf of the Committee on Agriculture, and to avoid having to speak a second time on behalf of my group I should simply like to add a word or two.

When we hear it said in debates, both here and elsewhere, that agricultural policy, in spite of everything we are trying to say and to demonstrate, is not the cause of the Community's difficulties, but rather the basis on which one must pursue the process of European integration, we have the feeling that neither the Commission nor the Council are willing to seize this chance to use the only common policy that we have. And when we see these European summits solemnly gathering and going into, all at the same time I might add, the common agricultural policy and the budget problem, the British contribution and the EAGGF and when, quite naturally, after forty-eight hours of meetings — dare I say discussions — it is all put off for another time, what can we be but uneasy?

Mr President, I would simply like to say that it is the view of my group that the common agricultural policy

is something that will not admit of any derogation or basic modification. We must of course arrange it so that the policy as it was initiated can be modified and adjusted to meet the needs of our time and whatever difficulties we may encounter. But the fundamental principles must be preserved intact and we could not entertain the abandonment of the common agricultural policy in any way, not even on budgetary grounds, which are specious, for we should like the common agricultural policy to be treated with the same open-mindedness as is evinced in certain circles. Then, and only then, would we be secure in the knowledge that, now and in the future, the common agricultural policy will continue to be the cornerstone of Europe.

President. — I call Mr Croux.

Mr Croux. — (NL) Mr President, ladies and gentlemen, subject to the limited powers the European Parliament has under the Treaties, my group gives high priority to proposals and amendments in the area of energy and research. I do not need to explain this further. All the institutions have stated that they attach the utmost importance to energy and research. This was evident last week in London, where the Council was discussing, among other things, new forms of policy with particular reference to energy, research and industrial development. This is not, however, reflected by the draft budget submitted by the Council. We cannot agree to that. One of the few bright spots is that during the second reading the Council set aside 30 million units of account for the development of microelectronics. But that is all. What we find particularly disturbing, and I now come to my second comment, Mr President, is that, where energy is concerned, not enough is being done for the policy on coal. The tragic events in Poland, formerly a major supplier of coal to the Community, show once again how vulnerable the Community is as regards the supplies of coal which we consider to be extremely important.

My third point concerns research. Last October the Commission put forward an interesting document which clearly reveals how very far behind the Member States and the Community have fallen in research. This document shows with the aid of figures and tables that, while the Community and the Member States spend just as much money and have just as many people working on scientific research as Japan and the United States in particular, the results bear no comparison with those achieved in those countries. That is simply unacceptable. This is a fundamental criticism of the Community, the Council and the Member States. A great chance is being lost here to use the brains we still have in Europe to the benefit of the people of our Community.

It is now two and a half years since the European Parliament and its committees began their work, and

Croux

where research and energy are concerned, it is clear that Parliament must strengthen its control over the use of appropriations which the Community and also Parliament make available to the Commission and Council. I cannot go into this today. I hope we will have an opportunity to discuss the question later. We note with satisfaction that the Commission is becoming increasingly aware of the problem and that more initiatives are being taken to evaluate the results achieved with the the research policy. Parliament will support these initiatives and, where necessary, must take other initiatives itself. That is real parliamentary control.

To conclude, Mr President, I should like to say that in politics rational considerations are less likely to lead to progress being made than political impulses, often under the pressure of crisis situations. We are now in a crisis situation of this kind, and both the public and the political authorities believe that cooperation is needed in Europe. We hope this will also be the case with the energy and research policy. It is not enough simply to react to the crisis. Structural development is also needed so that such crises can be overcome whatever the circumstances. This was, when all is said and done, the aim of the founding fathers of our Community.

President. — I call Mr Maffre-Baugé.

Mr Maffre-Baugé. — (*FR*) Many of you here have expressed satisfaction over the substantial savings in agricultural expenditure achieved in 1981: just short of 8 000 Million francs. Certainly, the economic situation has had something to do with it, but above all it has served as a shield from your objectives, which consist in imposing increasingly tight limits on agricultural guarantees and expenditure. Rushing into the breach created by the savings achieved in 1981, the European Parliament has continued, at the first reading, its attack on farm incomes. It has unfortunately been followed in this by the Council — as Mr Fanton has already pointed out — which has refused to compensate for the reduction of 33 million ECU in appropriations for dried milk with a corresponding increase in appropriations for the subsidy for suckling cows.

This 1982 budget is thus fully in keeping with the continuing offensive being conducted both in Parliament and by certain of the Member States. But what worries us more is that an even more serious attack is being mounted. As the Commission's guidelines set out in the mandate of 30 May prove — renewed attacks on Community principles, stronger pressure on farm prices, not forgetting the generalization of co-responsibility to all areas of production — the trend towards free trade can no longer be in any doubt whatever now.

French farmers may rest assured that we shall oppose the implementation of this policy, and we note with satisfaction that recently, at the last European Council, the French government showed a measure of firmness. Even though Parliament chose to reject all our amendments at the first reading, we are continuing with our action at every level — and primarily out in the country, side by side with the farmers and their organizations — against any form of taxes or ceilings on production, for the abolition of compensatory amounts, for more rigid observance of Community preference and for improvements to Community regulations on livestock production and Mediterranean product lines. Heaven knows this problem is a crucial one, and one which Mr Mitterand, the President of the French Republic, has raised very recently.

No, Mr Arndt, putting money into agriculture is not a waste, as you suggest. Our agricultural potential must be expanded — you seem to forget that there is hunger in the world — primarily in the interest of those who live off it, but also to meet the needs that one sees throughout the developing countries. Here and now we are staking our claims in the battle for remunerative farm prices in 1982. In 1981, the inadequate increase in farm prices coupled with the reduction in guarantees have been the principal cause behind the substantial drop in the incomes of French farmers, and the government has had urgently to pay out compensation to the most hard-pressed among them. The 'savings' thus achieved in 1981 prove it. It should have been possible to increase farm prices by 15%, as we had asked, and to ensure that all of the increase was passed on to the producers. Let us draw our lessons from this and avoid making the same mistake in 1982, by providing for an increase in farm prices, which cannot be less than 16% if it is to keep up with rising production and other costs. There are resources available for this purpose which in no way affect the implementation of other common policies. There is, in the first place, the increased revenue resulting from better respect for Community preference, but we should also put a stop to the unjustifiable concessions to the United Kingdom. The 1 600 million ECU provided for in the 1982 budget could alone permit an increase in farm prices of 16%.

President. — I call Mr Seligman.

Mr Seligman. — Mr President, ladies and gentlemen, after all the grinding procedure of this budget it may seem that a mountain has been in labour and a mouse has been produced, albeit a better balanced mouse according to Commissioner Tugendhat. Nevertheless, as far as energy is concerned, my group feels that the final proposals are realistic in the present circumstances of economic stringency in all Member States, as Mr Ridley has stressed. It would have been pointless and wasteful to vote large sums for coal and

Seligman

energy investments when there are no agreed plans likely to be approved by the Council in the next period.

There is, however, an illusion hanging over the entire energy budget at the moment, and that is the illusion that the oil crisis is over and that energy conservation has achieved a structural improvement in the Community's dependence on imported oil. Nothing could be further from the truth. We are living in a fool's paradise. That is why I welcome Commissioner Tugendhat's stress on the importance of the mandate budget coming in 1982. In the meantime, of course, we have to accept that an increase of 7·8 million ECU on energy and a 9 150 increase on research are the best we can hope for from this budget. I sincerely hope that Parliament will pass the amendments and that the Council will also accept our amendments on this matter.

At least the increases devoted to delicate initiatives in new sources of energy like biomass, solar energy, coal gasification, wind and wave energy, are all being deployed in areas where the Community can do useful work, and they will contribute somewhat to relieving our dependence on imported oil. However, the Council's original cut of 22·5 ECU in commitments and 2 million in payments for fusion will be very harmful, because research into alternative paths leading to success on fusion should be getting wider, not narrower. This work on fusion is a Community cooperative scheme involving most of the member countries in their different ways.

I am particularly pleased, however, that the Committee on Budgets has supported 1·5 million ECU for energy cooperation with non-associated developing countries. It is in Item 933. This bears very much on the North-South Dialogue and Cancun, and I am particularly pleased to see Mr Brandt here this afternoon, because this concerns him. The members of the delegation to India three weeks ago saw how much help the Third World countries need in developing their known energy resources. As Mrs Gandhi told us, it is the duty of the industrialized West, which for centuries has lived on cheap raw materials from the developing world, to redress the balance by helping financially and technically to develop their mineral and energy resources. That is why I welcome Commissioner Tugendhat's statement that the mandate must give us hope next year for a more dynamic budgetary approach to energy investment and possible even a Community participation in the World Bank energy affiliate which may well come up next year. There are ample projects in the Commission's energy mandate to justify a wider energy budget without in any way being extravagant.

President. — I call the Committee on Youth, Culture, Education, Information and Sport.

Mr Pedini, chairman of the Committee. — (IT) Mr President, ladies and gentlemen, I am acting as a substitute for Mr Arfè, absent today because of illness, who was the rapporteur on the budget for the Committee on Youth and Culture. I will also add a few observations on behalf of the Group of the European People's Party.

In regard to the budget, I must thank the rapporteur and the Committee on Budgets for recognizing the worth of our amendments on the second reading as well, amendments which have already obtained a favourable vote from Parliament. They return on the second reading. I hope that the Council of Ministers will understand that the almost ludicrous limitation of the funds destined for education must confirm the fact that if we ask in our amendments that these funds be increased we do so in order that a commitment to education may be kept alive in our Community — always bearing in mind the free circulation of people and respect for the Treaty of Rome — a commitment which considers the professional condition as one of the expressions of this freedom.

Mr Spinelli and the members of the Committee on Budgets will permit me to explain why we have also repropounded the amendment on Article 273, which was reduced by the Committee on Budgets. The reason is simple: the chapter in question concerns information directed at youth and inherits a so-called 'Kreyszig-plan', which was formulated and desired by our Parliament. The beneficiary alone — the youth of the Community — would suffice to justify the sacrifice of the few ECUs which could restore the amendment to the form in which it was originally approved by Parliament on the first reading.

Finally, permit me, Mr President, not only as a substitute rapporteur but also as a spokesman for the Group of the European People's Party, to say that I am convinced of the importance of an action which concerns the coordination of educational policies for the young, for the worker, and for the citizen of the Community. Let it be clear once and for all that none of us wishes to contest the fact that the responsibility for education belongs to the individual States and must remain with them. European culture, if it ever emerges in the future, will emerge from a consciousness of the problems which we as Europeans will have to face together in that future. What I have said however in no way alters the fact that, precisely in order to deal with the unemployment crisis which is particularly affecting the young and with the aim of preparing ourselves for innovation, we need to coordinate the educational activities taking place in the individual countries which belong to the European Economic Community. I repeat that this coordination is a necessity, for it is clear that if we do not enable man to be master of the Community, economic successes will rapidly pale before the worsening of the recession.

Pedini

Lastly, Mr President, permit me to say that our appeal, as Committee on Youth and Culture, for an ever increasing awareness of the problems entrusted to us is also aimed at urging the Council to respect itself. To respect itself before the Treaty, for the Treaty has to do with men as such; to respect itself also because we cannot continue with this system which led us to hear in this Chamber, a few weeks ago, the important declarations of Mr Genscher and Mr Colombo, who indicated cultural growth as one of the components of the revival of the Community.

Are we perhaps playing among ourselves Pirandello's famous comedy 'The Rules of the Game'? Then let each one of us play his part without deceiving himself: But, just as I do not believe this, so also I think that we should believe ministers in authority when they come to speak to us of the revival of cultural and Community policy, and I hope that our initiative may contribute towards the dissipation of the fog which, with the London Summit, has descended even on our own timid hopes for educational and cultural action.

President. — I call Mr Langes.

Mr Langes. — (*DE*) Mr President, although it is not possible to summarize the situation at the end of the debate on the 1982 budget, it can at least be said that Parliament is trying to equip the new policies on which we wish to place the emphasis in Europe with appropriate finances by increasing resources by some 350m EUA, as decided by the Committee on Budgets. I therefore believe that the required absolute majority of 218 votes should be mustered when it comes to the vote, so that a start can be made on these policies.

Of course, all that is really being done in some cases is to take very small steps in the right direction. An example here is a small but, I feel, extremely important item, the entry of 10m EUA for the transport sector. This is not intended for the construction of ordinary roads or motorways, but for things which will create transfrontier links between Europe and other countries or bring the countries in the European Community closer together.

Mr Tugendhat, we see this 10m EUA as an initial contribution to the construction of the tunnel between England and France and also — as we have stated very clearly — to the building of a motorway through Austria, the Pyhrn motorway, which we see as a connecting link with our Greek and Italian friends. This is then in fact a kind of exclamation mark, for everyone knows that this 10m EUA does no more than demonstrate our good will and simply says: The European Parliament wants a European transport policy.

Ladies and gentlemen, on behalf of my Group I would ask you to approve these measures, which we of the Committee on Budgets have included in the 350m

EUA package, by a large majority the day after tomorrow.

President. — I call the Commission.

Mr Tugendhat, Vice-President of the Commission. — Mr President, there is, I must confess, something slightly dispiriting about replying to a debate of this sort, as I am sure you will understand, because it has been an interesting debate and there have been some very notable speeches. However, it cannot be said, I think, that the debate has attracted a very great degree of interest among parliamentarians, though there are perhaps more people in the Chamber at the moment than at any previous time in the debate. And many of the people who made speeches, to which I am about to try to reply, are quite clearly elsewhere, which does make it hard to be as enthusiastic as one would like to be.

Perhaps, I will start with Mr Langes and say that I have made it quite clear outside this House, but I am delighted to make it clear within this House as well, that I think it is extremely important that there should be a transport infrastructure policy and that I think it is desirable that a transport infrastructure policy should be characterized by projects of the sort he has mentioned. It is a great lack in the Community that we don't have a transport infrastructure policy, especially when one considers that transport was mentioned alongside agriculture in the original Treaty. So we in the Commission, and I personally certainly, are very much in favour of the development of such a policy. But the point which I was making in my original speech was that it is one thing to press the Council, which we will certainly continue to do, to introduce such a policy; it is another to be able to spend money in the absence of such a policy. Now it is for Parliament to decide that. On the overall principle that Mr Langes has enunciated, clearly he and I are absolutely at one.

Well now, there have been a number of themes running through the debate. We have heard a certain amount about the restructuring of the budget; we have heard about the need for a better budget balance; we have heard quite a lot from various quarters of the House about the need for the Community to be given the means, both financial and other, to permit a further healthy development; we have heard about the need for problems of substance to take precedence over problems of procedure. And, of course, and this is always the case in these debates, we have heard a great deal about the need for the institutions to act in a manner that is consistent with their publicly stated objectives. That last point about the need for institutions to act in a manner consistent with their publicly stated objectives is a point which I have frequently made in relation to the Council.

Tugendhat

In varying ways Mr Ansquer, Mr Arndt, Mr Balfour, Mr Gautier, Mr Notenboom and Mrs Scrivener have all touched on these points. Now without making a speech as long as the one this morning, it would be impossible for me to deal with all the points which were raised, so I will seek to take some which are perhaps of particular importance.

I was very gratified by the welcome given, in particular by Mr Langes, Mr Notenboom and Mr van Minnen, to the progress, albeit inadequate, that has been made over the social measures for the steel sector. It is important that there should now be an inscription in the budget, and the Commission welcomes that very much. All of us now — all three institutions — are, of course, going to be faced with some quite tricky problems, and we have already been working on them, in fact, because we are very anxious to see this money used and we are very anxious to be able to tackle the problems of the steel industry.

Amongst the debates we have been looking up was the debate on a motion for a resolution tabled by Mrs Hoff on 11 July 1980. At that time, I recall, Parliament took the view that a separate legal basis would be necessary for the spending of this money. Now I think all of us are going to have to look very carefully into the present situation, but certainly at this stage, the day after the Council has taken the decision — and there is perhaps a certain irony in the fact that the pressure in this matter comes from one particular quarter of the House rather than others — we rejoice in the fact that it has moved some way towards our position and towards Parliament's position. We still seek to build on what has happened to ensure that money in the 1981 and 1982 budgets, which I hope Parliament will be providing on Thursday, can be put to use in the steel industry where it is badly needed. As I have said many times before, and so have my colleagues, the social measures for steel are an absolutely essential concomitant, an absolutely essential corollary, of the restructuring of the steel industry in which we are currently engaged, and we will certainly press for progress to be as rapid as possible.

On EAGGF expenditure, I would first like to address a remark to Mr Lalor, who is not here but who once again talked as if the Commission sought to attack the common agricultural policy. Really nothing could be further from the truth; the Commission regards the common agricultural policy as one of the foundations on which the Community is built, and the whole purpose of what the Commission is engaged in now, what it believes the other institutions of the Community are engaged in, is to try to update and modernize the CAP so that the principles on which it is based, which are as valid now as they were when they were first introduced, can be the more effectively applied. Our one desire is to see the principles that underlie the CAP effectively applied, and we believe that that is also the object of Parliament and the object of the Council as well.

Now Mr Notenboom asked a specific question when he asked the Commission what the outlook for expenditure now is for 1981. We are very near the end of 1981 and I ought to be able to give him a very clear figure, but, as he knows, it is slightly more complicated than that. We certainly know what advances have already been made to Member States. We also have been conducting the normal clearing of accounts for 1974 and 1975, which has meant that some 160 million ECU has had to be added, and then we have the 400-450 million remaining in the 1981 budget. That means that some 97% of total EAGGF Guarantee credits will be used up. But in fact the final figure may turn out — almost certainly will turn out — to be rather larger than that, because our experience is that there is usually a request for exceptional advances and there is usually some problem over the depreciation of stocks and there is quite often a possible carry-over of coresponsibility levy resources, so I cannot give him an absolutely final figure — that will have to wait until we are into 1982. But it looks as if the EAGGF Guarantee expenditure will be at least 97% of the total figure.

A great many people have raised the matter of classification, and I must say I have some sympathy with the point made by Mr Price and repeated by Mr Fich and by a number of other Members, when they said that it was an extremely difficult subject to follow and that they didn't suppose that very many people who are not directly concerned with the budget had a grasp of it. Mr Fich seemed to think there were 20 000 people in the Community's service who had a grasp of it. Well I have to say that there aren't even 20 000 people in the Community's service altogether. If you take all the Community institutions — Parliament, the Council, the Court of Justice, the Economic and Social Committee, as well as the Commission — the total number of people in the service of Europe is still about 25% less than that, and I doubt whether all the people in the service of Europe understand the classification point either. It is certainly a very complicated one, and I hope that a matter of this sort will not become a major source of budgetary difficulty. We were encouraged by the speeches of Mrs Scrivener and Mr Ansquer, who seemed to take a view very similar to that which I had put forward concerning Chapter 100 — our view basically being that the money in Chapter 100 should be given the same classification as the line to which it is attached, although I realize there are those in Parliament who take a different view. I was encouraged to find that there were a number of parliamentarians who seemed to take a view somewhat similar to ours. Our strong belief is that it is important that all three institutions should now engage in talks on this point and that the will of one institution should not be allowed to triumph over the will of other institutions. If we have a budgetary authority consisting of equal halves, and an independent Commission, then clearly all three ought to be involved, and the Commission believes that this can best be done by a dialogue entered into in a spirit of cooperation on all

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sides. Our view, I have to say, is that the Council has been playing for time on this matter, that there has been a tendency on the part of the Council to try to delay this matter from one month to the next and from one year to the next. Now, it is absolutely essential that there should be no further loss of time and that the search for a solution for this problem should begin immediately, be continued under the Belgian presidency and brought to a conclusion before the next budgetary procedure actually gets under way.

Mr President, I have sought to cover some of the points which have been raised. No doubt I will have a further opportunity to deal with some of these matters in the Committee on Budgets when people will be returning to other points that they have made, but at this stage I think it would be better for us now to listen to the President-in-Office of the Council and to the rapporteur, Mr Spinelli, who will, as is customary on these occasions, wind up the total debate.

President. — I call the Council.

Mr Ridley, President-in-Office of the Council. — Mr President and Members of the European Parliament, we have had a most interesting debate and I have been privileged to hear a very large proportion of what has been said. Although there is a considerable degree of agreement on wishing to see further and faster progress in the construction of Europe and, I think, a slightly unfair tendency to lay all the problems upon the Council's doorstep, nevertheless at the same time there has been a certain difference of emphasis, certain differing points of view within the Parliament itself, just indeed, if I may say so, as there is within the Council of Ministers on so many of these questions. It is my unfortunate and difficult task not only to reconcile the differences within the Council but also the differences between the Council and Parliament, bearing in mind that there are differences within Parliament too, and it is perhaps helpful in that context if I try to see where we have reached agreement, on what points we seem to be at one, and I think that some of these are very major and very important points.

First of all, if I may address my remarks to the 1981 supplementary and amending budget, it seems to me that there really is now a large measure of agreement between all of the institutions on this budget. The Council's readiness to increase the maximum rate of non-compulsory expenditure to accommodate Parliament's amendments on the steel social measures has been welcomed on all sides of the House and by the Commission, and rightly so, for this does represent a very considerable breakthrough after a protracted and difficult period of disagreement on this issue. And although we have not yet got completely through, I do hope that the House will feel that this is not only a movement in the direction that they would like to go,

but that it is a considerable achievement to have got as far as we have.

In that budget too — the 1981 budget — there remains the problem of food aid to Poland. Again I think we have really a very high degree of agreement here. As Vice-President Tugendhat has reminded us, the Community is actually in the process of delivering 8 000 tonnes of beef to Poland, and it seems to me that since the Commission is now actually executing additional aid to Poland, the purpose of Parliament's initiative in suggesting that extra aid has, in fact, been met. There is also no doubt that action can be taken, simply from the fact that it is now being taken. The Council, I should explain, did not feel that Article 950 was the appropriate place for the aid, simply because that article is for emergency aid following natural disasters and this really could hardly be described as a natural disaster. The most important thing, surely, is that the extra aid is provided, and that is, in fact, what is happening. I think that, in view of very recent events in that unhappy country, we shall now want to take stock of the present position and see what our future policy should be. In any event 1981 is very nearly over, and we should return to the question next year when the picture is clearer. I would only like to repeat that Parliament's desire to make a special and extra gesture of help for the Poles has materialized, and that is another area where we have come closer together.

Moving on to the 1982 budget, I was gratified to hear how many Members said that they wished to avoid a dispute over the budget this year. To those amongst you who are ready to compromise, I would only repeat what I have said this morning. The amount recommended by the Committee on Budgets presents us with a formidable obstacle to compromise. Compromise by its very nature implies movement on both sides. I for my part am certainly prepared to negotiate further. Indeed, the Council's agreement to the budgetary entry of 62m ECU for the steel social measures for 1981 is already a step towards finding a compromise on the 1982 budget.

Another subject where I believe there is considerable agreement is the question of the future talks about the basis of classification. The Council's offer to examine the whole question of classification early next year is one which should be taken very seriously and one which is meant in earnest. I was pleased to hear that many speakers, notably Mr Lange in his very powerful speech, took up the offer which the Council has made. I feel bound to say that if 1982 were to begin with a disputed budget because Parliament had acted unilaterally, then it is difficult to see how those discussions could ever be meaningful, or indeed could ever get off the ground.

Here I must return to the point I made this morning about the ideas on classification emanating from your Committee on Budgets. The whole case for the amounts recommended by Mr Spinelli rests on the

Ridley

extremely dubious thesis that the classification of monetary compensatory amounts changes from one day to the next as the appropriations are moved in and out of the reserve Chapter 100. I am glad to say that several speakers, notably Mrs Scrivener and Mr Ansquer, have recognized that one has to adopt a more logical approach to the classification of Chapter 100. Indeed, in the extreme case it would presumably be possible to move every item of compulsory expenditure into Chapter 100 and by moving them out make them non-compulsory. I do not believe that the originators of the Treaty ever had such an idea in mind; certainly the Council does not at the present time have this idea. I would also remind the House that Mr Tugendhat, Vice-President of the Commission, was emphatic too in saying that the Commission, which is, of course, responsible for executing the budget, could not share the Committee on Budgets' views on that one point. If that is so, and I believe it to be right, we are not really so far away from a position where I am sure we could agree the budget for 1982.

For that reason I urge all the Members of the House to join the search for a compromise which is satisfactory to all parties before they vote on Thursday. I for my part will certainly be willing to do what I can on behalf of the Council.

(Applause)

President. — I call the rapporteur.

Mr Spinelli, rapporteur. — *(IT)* Mr President, I cannot conceal my surprise at the fact that Commissioner Tugendhat noted with regret that this debate was lacking in enthusiasm. Perhaps Commissioner Tugendhat has forgotten that it was he who first gave a negative judgment on the draft budget prepared by the Council, going so far as to say that the Commission disassociated itself from it. Given the fact that, substantially, this budget does not differ greatly from the one presented on the first reading, Commissioner Tugendhat will understand why Parliament cannot feel much enthusiasm for it, despite the Commissioner's own conversion.

(Laughter)

I was particularly surprised by the fervour with which the Commissioner defended the Council's draft budget. I agree about the 'trialogue' (even though as a former Greek scholar I cannot but observe that the expression 'trialogue' is incorrect, since the adverbial prefix 'dia' does not mean 'two', but rather 'exchange', 'through', and that therefore it would be correct to say 'three-sided discussion', and not 'trialogue') on condition, however, that in this three-sided discussion each member will play his own role, with the Commission not assuming that of the Council!

The Commissioner has told us that it is necessary to pursue this or that policy in addition to the one proposed by the Council, but at the same time he pointed out that Article 100 can in no way be considered as non-compulsory expenditure. I believe that if we accept this idea, it will be impossible to do anything at all.

I think we must give some thought to what is awaiting us. On Thursday we must vote on a series of amendments. Judging from the discussions we have had, I think that we will be moving in a range of between 350 million ECU — a figure supported by the Committee on Budgets and by some groups, for expenditures and relative commitments — and a lower figure of 150-200 million ECU as proposed by other groups. I hope that in Thursday's voting we will come near to the 350 million maximum, but the result will be decided at the ballot box, and we will support it.

If the President of the Council could tell us, on behalf of the Council itself and with its authorization, what is the precise figure above that indicated in the draft budget, we could decide whether this figure can be judged acceptable. If it is acceptable, the problem would be solved, for we will respect margins that we ourselves have decided upon; the Council, for its part, should indicate the maximum rate of increase. If the President were unable to furnish us with the maximum rate of increase the Council will accept, then there is no possibility of agreement, and I do not see what would be left to discuss. In fact, it is inadmissible that the President of the Council should not be able to clear up the question of the classification of expenditure, to tell us the figure at which this institution may attain, and that we should be obliged to vote on Thursday only on the opinions referred to us by the President of the Council.

As I have already said, the voting will turn on the data represented by the range I mentioned above, and in any case it will represent — at least according to the Council's official position — more than Parliament is qualified to undertake. At this point we should declare the budget procedure completed, and there would be nothing else to do. The President will be obliged to establish that the procedure has been terminated and declare the definitive adoption of the budget. If the President of our institution, contrary to what she herself said not many days ago, were not to declare the procedure at an end, this would mean that we have remained within the margin assigned to us, since this would be the only reason which would justify the continuance of the procedure.

At this point, ladies and gentlemen, Parliament itself will have ceased to exist as budget authority. We would initiate a never-ending 'three-sided discussion' with the Council and the Commission: never-ending because we will be obliged to accept the usual definitions currently in use.

Spinelli

It could be objected: what foolishness is this in regard to the compulsory or non-compulsory nature of Article 100? Do you want to change everything? Believe me, this is no foolishness; it has not been invented either by Mr Spinelli, the rapporteur, or by the Committee on Budgets, which has for years been explaining the reasons why the classification it proposes is to be preferred. But that is not all: a practice has long existed which consists in the transfer of funds belonging to compulsory expenditure to Article 100 and vice versa. When we — rightly or wrongly — transferred certain sums from compulsory expenditure to Article 100, we followed the procedure of the proposed modifications and not that of the draft amendments. This demonstrates that it is not possible to transfer everything to Article 100. In fact, with the proposed modifications the last word belongs not to Parliament but to the Council, and this is inadmissible.

The procedure of the 'transfer' of a compulsory expenditure to Article 100 has always been that of a proposed modification, while for transfers from Article 100 the 'technique' of the draft amendment has always been used, without this procedure ever having been contested in any way.

For this reason, the matter is not as simple or as foolish as the gentlemen of the Council or the Commission may assert.

Furthermore, without wishing to say that our view is the correct one, I would like to make clear that we do not accept orders of any sort on this subject from the Commission or the Council. We have urged that an agreement be reached among the three institutions, and we have said that until this has been accomplished the only thing we can accept is what is included in all three of the existing lists. If we say that it is necessary to keep to Article 100, it is not because we do not intend to negotiate on this article. It is the Council which refuses to negotiate. We — I repeat — are ready for discussion, but we cannot accept a *diktat*.

For these reasons I think it would be well to think about the position we will take on Thursday: we as an assembly, and President Veil as president of our Parliament. At stake are the real powers of Parliament in the area of the budget.

Although the sum itself is quite insignificant, the Council should be able to indicate to us before Thursday something more than only 60 million or a few career improvements. The Council wishes in fact to ascertain up to what point this Parliament has been tamed. It will be up to us, therefore, to show that this Parliament is still a clever, strong, and not yet domesticated animal.

(Applause)

IN THE CHAIR: MR ZAGARI

Vice-President

President. — The debate is closed.

The vote will be taken on Thursday, 17 December 1981 at 9 a.m.

3. *Budgetary and financial activities of the ECSC*

President. — The next item is the report (Doc. 1-840/81) by Mr Antoniozzi, on behalf of the Committee on Budgetary Control, on the reports of the Court of Auditors on the financial and budgetary activities of the ECSC in the financial years 1978 and 1979 and the draft decision on the discharge in respect of these activities.

I call the rapporteur.

Mr Antoniozzi, rapporteur. — (IT) Mr President, ladies and gentlemen, in the few minutes available to us I will try to explain the motives which form the basis for this motion for a resolution.

I would like to point out that the resolution of the Committee on Budgetary Control comes at an intermediate phase between the preceding resolution concerning the ECSC operating account for the 1977 financial year and the one to be presented for 1980: today's resolution concerns the years 1978 and 1979. It takes up an intermediate position not only from a chronological viewpoint, but also as an element of procedural stimulus and evolution. Through it we can put into effect certain principles which have not yet found concrete expression and which we hope may be realized in the course of the procedure for the examination of the 1980 financial year.

The motion for a resolution now submitted to Parliament deals with a series of questions. It refers to the delays, to the regulatory evolution of the Treaties of 1970 and 1975, to the well-known demand that Parliament be empowered to evaluate the financial activities of the ECSC on the basis of a general report from the Court of Auditors concerning legality, propriety, and good financial management, and the commitments made in the past by the Commission and the Court itself to provide an exhaustive system of bookkeeping and an analytical budget.

Our suggestions are set forth in the report: (1) to strengthen parliamentary control of ECSC activities; (2) to be able to pronounce on the discharge to the Commission/High Authority relative to the financial operations of 1978-79, taking into account the assess-

Antonozzi

ment of the activities pursued; (3) to follow up on other observations made by the Court.

I would also like to say that the final part of this report does not allow for a small step which was taken later, at the last moment of the study made by the Committee on Budgetary Control.

I wish therefore to remind Parliament and the other institutions present of the particular function of the Committee on Budgetary Control, which is not one of financial administration but rather a political function of stimulus, mediation, and judgment regarding preceding administration. The purpose of this judgment is to obtain for the future a type of management better adapted and more responsive to the objectives we have set for ourselves.

We come to the discussion of the ECSC discharge for 1978-79 after an extraordinary lapse of time, a delay difficult to justify in the face of public opinion, especially in view of the fact that it is essentially due to differences between the Commission and the Court of Auditors concerning the respective competences and the exact nature of the documents to be drawn up and transmitted, as well as the schedule for their transmission. The activity of the parliamentary Committee on Budgetary Control was in this context very prudent, very patient, very careful, and very responsible; it was a role of proposal and mediation aimed at overcoming the obstacles described above and at establishing a basis for future collaboration.

This process must begin with the 1980 financial year, for which it is necessary that the times of discharge for the ECSC financial activities coincide as much as possible with the times of discharge provided for the Community's general budget, so that the ECSC activities may be inserted and evaluated in the wider context of the application of Community policies in general.

It is necessary to note that the obstacles mentioned here were only partially overcome. We recognize this. In the last few days, however, there has been a manifestation of good will, and I think that the efforts of Parliament and the pressure exerted by the committee and its chairman have had some effect. We recognize this with satisfaction, aware of the fact that the Commission/High Authority and the Court of Auditors have very recently come to an agreement concerning times and the nature of the documents to be drawn up and transmitted. They have also entered into a precise agreement, through an exchange of letters, to grant the Court of Auditors direct access to the banking records of the Commission/High Authority.

I repeat that this constitutes grounds for satisfaction insofar as the hopes expressed by the Committee on Budgetary Control have been realized.

It should not be forgotten, however, that on another point of difference it was impossible to come to an analogous agreement: this point concerns the right of the Court of Auditors to make on-the-spot checks on businesses on its own initiative, and not only on the initiative of the Commission/High Authority.

In the motion for a resolution regret for this failure to reach agreement is expressed in paragraphs 9, 10, and 11, and it is observed that the European Parliament will continue to follow the problem carefully in the context of the discharge for the succeeding financial years.

We must also stress that the Committee on Budgetary Control expressly desired to include in the discharge decision a reservation concerning the method of presenting the budgets and financial records. This is due to a certain confusion in the presentation itself, which was accomplished in several stages and which is currently inadequate. The situation is further complicated by the problems of accounting which I set forth in the explanation and which are due to the different accounting systems in use by the Commission/High Authority in Luxembourg and in Brussels: a homogeneous approach is therefore necessary, otherwise it will be difficult to exercise the sort of control needed for the future.

For this reason the precise commitments assumed by the Commission for the improvement and modernization of its own accounting services through the adoption of computerized systems become particularly important.

In summary, ladies and gentlemen, it is necessary to interpret the granting of the discharge which we propose for the 1978 and 1979 financial years in view of an extension of the function of control to take place in the years to come, and in view of a procedure, clear in its times and in its methods, which permits the concentration of effort on the central aspects of coherence and efficiency in the policies applied through the ECSC budget.

Finally, I would like to add a very brief political note, arising from the conclusions which the rapporteur Mr Spinelli presented to us a while ago on the general budget of the Community. It must be increasingly clear for all those acting in the various institutions what their roles and functions are: that Parliament has, and should have to an increasing degree, the importance which belongs to it by virtue of the definite political role of the democratic investiture of the citizens of the Ten.

I hope that everyone will realize this and that in the future everyone — recognizing the good will with which we propose the discharge today, despite many doubts about the procedures followed — will take this into account, permitting us to proceed more rapidly towards those objectives of political union which are

Antoniozzi

the final aim, we hope not too far distant, at which we are all striving.

(Applause)

President. — I call the Commission.

Mr Tugendhat, Vice-President of the Commission. — Mr President, this is my third speech today, and I am afraid there are one or two more to come, but they will be quite brief.

I should like to begin by thanking Mr Antoniozzi for recommending the discharge and also by telling him that the Commission will note with very great care the points which he has made.

There have been a number of important improvements already made in the organization of accounting and internal control, and I am grateful to Mr Antoniozzi as well as to the Court of Auditors for welcoming the usefulness of some of the measures which we have introduced. The ECSC budget has been going for a long time, longer than the Community budget, and it has proved its worth; but we recognize that, like everything else that has been going for a long time, it is capable of further refinement and improvement, and we welcome the close interest which this House takes in its affairs.

A point which I would particularly like to mention is the specific problem of the external confirmation of the Commission's bank accounts. Here a pragmatic solution has been reached between the Commission and the Court of Auditors which will, in fact, be applied both to the ECSC, and to the general budget accounts. It is a good example of how we are, I think, constantly managing to find improvements in conjunction with this House and with the Court and how an improvement in one area can be applied subsequently — or even almost immediately, as in this case — to another.

I know that in the draft discharge decision there is a remark concerning the presentation of the accounts. The particular point at issue is that of the exceptional contributions payable to the Coal and Steel Community in accordance with the decisions taken in 1978 and 1979 by the representatives of the governments of the Member States. The object of these contributions was to allocate supplementary revenue to help the Community to face the needs arising from the restructuring of the steel sector for 1978 and 1979. The payments made by some Member States were very belated, being received in fact after the closure of the accounts for the years in question. They were shown as items due in the balance-sheets for those years, in accordance with the original decisions and with the normal accounting practice. These balance-sheets have been certified by the Court of Auditors.

As this House will well understand, the problem of these belated payments would not, of course, have arisen if the necessary credits had been available in the general budget for a transfer to the ECSC operational budget. The Commission, as well as the Parliament, has always favoured this last solution, and we continue to do so, as is demonstrated by the stance we have taken on the steel social measures in the context of the 1981 and 1982 budget procedures.

Finally, Mr President, I have to say that there is still a difficulty with the general question of control visits to private enterprises in the ECSC field by the Court of Auditors. The difficulty is a legal one, to which we have been trying to find a solution acceptable both to the Court of Auditors and to the Commission. We thought that such a solution had been found at the meeting held in March 1981 between the Commissioners directly involved and the President and the Member concerned of the Court of Auditors. It appeared, however, towards the end of November, when we received a letter from the Court, that there are still difficulties with some aspects of this problem. We are continuing to try to settle this matter in accordance with the terms of the Treaty and we shall do our utmost to give full satisfaction to Parliament's wishes as expressed in the discharge resolution.

Mr President, I have restricted myself to dealing with these few points because of the overloaded agenda and in order to be as brief as possible. I should nevertheless point out that the activity of the Commission, or in this context perhaps one should say the High Authority, in 1978 and 1979 is commented on in a more general sense in a broadly positive way which fully justifies the discharge decisions proposed for these two years. I would like to express our gratitude for this to the Committee on Budgetary Control and its chairman, Mr Aigner, and also to the rapporteur, Mr Antoniozzi.

We for our part shall do everything possible to ensure that the favourable developments which have been recorded are maintained in future years and I have no doubt at all, Mr President, that the Committee on Budgetary Control will first of all make sure, that I live up to what I have said and secondly will not fail to produce further ideas for improvement in the future.

(Applause)

President. — I call the Committee on Budgetary Control.

Mr Aigner, chairman of the Committee on Budgetary Control. — *(DE)* Mr President, I should like to begin by thanking the rapporteur. The gentlemen of the Commission and Court of Auditors concerned will agree with me when I say that he has had to show a

Aigner

great deal of patience, because I believe that, without the urging of the rapporteur and committee, progress would not have been made in certain areas. Like you, Mr Tugendhat, I welcome this progress, in the hope that this marks the beginning of a harmonious interpretation of the law by all concerned.

Mr President, this matter is so difficult — and we do not deny that it is difficult — because the legal basis is still formed by the various Treaties. The ECSC is, of course, different legally speaking from the other two Communities, and this naturally also has an effect on the obligations and legal positions of all concerned.

Mr Tugendhat, I was surprised that it took so long and that so much pressure had to be brought to bear by the parliamentary committee before a rapprochement was achieved here.

It is unacceptable that the contributions of the Member States should be regarded as a kind of gift, involving no commitment and dependent on good will. They are all subject to the legal provisions of the ECSC, and they have their obligations to fulfil. I therefore call on the Commission not to mince its words over the Member States' contributions.

Nor is it acceptable that in the granting of the general discharge we should be so far behind the normal deadlines set by the Treaty. The Commission and the Court of Auditors should do everything in their power to ensure that we keep to the normal rhythm, so that we can link the debate on the granting of a discharge in respect of the ECSC with that relating to the other two Communities. The body granted a discharge is, of course, the same for all three Treaties: the Commission.

Mr President, I should like to thank all concerned for showing good will despite the difficulties and for stating that the disputes or difficulties over the interpretation of legal positions which still exist and which I find hard to understand will be settled as soon as possible.

President. — The debate is closed.

The vote will be taken at the next voting time.

4. ECSC levies for 1982

President. — The next item is the report (Doc. 1-839/81) by Mr Nord, on behalf of the Committee on Budgets, on the fixing of the ECSC levy rate and on the drawing up of the ECSC operating budget for 1982 (Doc. 1-800/81).

I call the rapporteur.

Mr Nord, rapporteur. — (NL) Mr President, there is a growing danger of the European Parliament's report on the operating budget of the Coal and Steel Community becoming a rush job. This year I must again ask you to understand that we had to work under pressure. The Commission's memorandum, which forms the basis of the operating budget, was not forwarded to Parliament until 23 November, which has not only made things extremely difficult for the Committee on Budgets but has also rendered it virtually impossible for the committees asked for their opinions to deliver those opinions in the allotted time. As the rapporteur of the Committee on Budgets, I offer my sincere apologies to the members of the committees asked for their opinions for our inability to come to a satisfactory arrangement because of the shortage of time. I am, of course, prepared even now to consider proposals from your committees. I therefore feel we must urge the Commission to submit the operating budget earlier, so that we can take account of it during the first reading of the general Community budget. As the Commission itself has proposed a contribution from the general budget to the ECSC budget, this seems to me a reasonable request, and I would very much appreciate a clear answer from the Commission.

Mr President, the High Authority, the Commission, largely depends on the collection of levies on coal and steel products for the financing of the ECSC budget. The Commission may set the amount of these levies itself. The Treaty does not give the European Parliament any say in the operating budget. And the same goes for the Council as long as the High Authority fixes the levies at no more than 1%. The High Authority has, however, undertaken to comply with the European Parliament's opinion on the fixing of the levy rate. The present rate is 0.31%, and the High Authority proposes that it should not be increased in 1982. This brings us straight to the main problem connected with this operating budget. The Commission feels it would be irresponsible to increase the burden on the coal and steel sector by raising the levy, and it has therefore made a substantial reduction in aid in the form of interest-rate subsidies and above all expenditure on research. But in the longer term research offers the only hope of a way out of the crisis. It is an investment in the future, and it is here that the greatest reductions have been made. Although social expenditure has not been cut, it does suffer from a lack of unity among the institutions and especially from differences of opinion in the Council on the way in which the social measures can be financed. If the reduction in expenditure does not solve the problem and if the ECSC's own normal resources cannot be increased without difficulty, alternative means of financing must be sought, and these are referred to in points 38 to 49 of our report. I must in this context advise very strongly against the solution involving *ad hoc* national contributions. Although I appreciate the argument that national contributions reduce the pressure on the Community's own resources, experience in

Nord

past years, and this year too, with social measures designed to accompany the restructuring of the steel industry indicates that they must be regarded as very subordinate. It must be remembered, Mr President, that the social measures for the steel industry will continue for four years and involve five financial tranches. This entails five unanimous decisions by the Council and five times ten national decisions or altogether 55 opportunities for blocking the measures — and all for the sum of 212m ECU. The far more obvious solution is a contribution from the general Community budget because Community decision-making procedures can then be used.

The way in which Parliament has committed itself to this contribution in the last month is still fresh in my memory. It has adopted amendments to both the general Community budget for 1982 and supplementary budget No 2 for 1981 seeking a contribution from the Community budget to the ECSC. The Budget Council was unable to agree at the time of the second reading and referred the matter to the general Council meeting of 7 and 8 December, last week. Again a decision could not be taken, not even as regards the 1981 budget. And even unanimity in the Council this week would not be grounds for unqualified joy. The contribution is, after all, expressly linked to the social measures for the steel sector, while expenditure on research in particular would still be left out in the cold.

A more straightforward solution, Mr President, would be to transfer the revenue from customs duties on coal and steel products to the Community. As you know, these customs duties are already harmonized just like all other duties, but because the internal and external commercial policy provided for in the ECSC Treaty is different from that governed by the EEC Treaty, they are not included in the Common Customs Tariff and do not therefore form part of own resources. This anachronism is in itself sufficient a reason to call for a transfer. It would also be a real Community solution, representing a small step in the process of European integration, helping the Coal and Steel Community out of its very serious position and not costing a great deal. The amount concerned is around 50m ECU. Furthermore, the High Authority, the Commission, agrees with this view. A proposal for a decision has been before the Council since May 1978. But the Commission itself no longer appears seriously to believe its proposal will be adopted, since the memorandum we now have before us does not mention this solution. The Committee on Budgets therefore feels the time has come for new life to be put into this proposal.

This is, Mr President, only one of the requests made by Parliament to which there has been little or no response from the Commission. The Committee on Budgets therefore felt that Parliament could not this year leave it a generally worded resolution but should,

for the first time, propose the amendment of the operating budget itself.

In connection with this innovation, it was clearly stated both by the High Authority and by the Committee on Budgets during the discussions in committee — and let there be no misunderstanding about this — that the responsibility for the adoption of the operating budget lies with the High Authority and that requests for amendments made by Parliament are no more than opinions and recommendations. But I might point out in this connection that the relationship between the High Authority and the European Parliament regarding the policy pursued and the financial control over that policy is such that we can expect serious attention to be paid to our opinions and recommendations, partly because of the discharge that will soon have to be granted.

The proposals put forward by the Committee on Budgets, Mr President, are designed to help solve the Coal and Steel Community's chief problems, these being the lack of balance between financial requirements and the ECSC's own resources, the difficulties surrounding the financing of the social measures in the steel industry and the irresponsible reduction in research appropriations, one of the few aspects of this budget that are really future-oriented. In the case of the ECSC it is not so much a question of a large number of new tasks as of overcoming doubts that exist at various levels about the suitability of the policy that is being pursued. Despite the crisis, the ECSC seems to keep ticking over. I admit that results have been forced through in the area of market management and that with great effort and trouble various social pain-killers have been found. But what we miss is an embracing plan, a programme that takes advantage of all existing instruments provided by both the ECSC and the EEC Treaty. The Commission is now in the process of carrying out the mandate of 30 May. Partly as a result of pressure from the European Parliament, this operation is developing into a general restructuring of European policy, with the emphasis on qualitative improvement. It is essential for the coal and steel policy to be included in this. In the opinion of the Committee on Budgets this would be a golden opportunity for transferring to the EEC ECSC activities not strictly associated with the ECSC Treaty. We therefore propose that the Commission should be requested to include the coal and steel sector in the implementation of the mandate. This also seems a suitable framework for the transfer of customs duties on coal and steel to the Community. Through the mandate the Commission might regain the confidence of the other institutions in its ability to run a sector with own resources and sufficient powers. If tasks are also transferred to the Community, no further national or Community contributions will be required.

The Committee on Budgets therefore proposes that revenue from the customs duties should be included in the ECSC operating budget. We have been cautious

Nord

and entered only 25m ECU, enough for six months. This is point 1 of the committee's amendment. Until the necessary decisions have been taken, revenue from national contributions and customs duties remain extremely uncertain. Parliament should not leave it entirely to the Commission to decide which expenditure should be reduced until this revenue is forthcoming. We therefore propose that a portion of expenditure equivalent to uncertain revenue should be entered in a reserve chapter and remain unallocated until the revenue becomes definite. The reserve chapter contains, in our proposal, 50m in EEC contributions plus 25m in customs duties, making a total of 75m to be allocated to the various areas of expenditure. And in point 3 of our amendment we propose the following breakdown: 50m for social measures in the steel sector, which corresponds to the Commission's proposal that seems to have the Council's approval, 19m for research, an area to which the committee attaches particular importance because, with all due respect for the efforts being made in other areas, we must say that these measures are largely designed to offset and alleviate the painful side-effects of restructuring to some extent and are not future-oriented where the regions, the workers or the sector in the broad sense are concerned, and finally, 6m in aid to coking coal and coke. Parliament has been calling for complete Community financing for this for years. At present — and the Commission recently put forward a proposal for a further extension of the arrangement — we have a mixed financing system: 6m from the ECSC, 17m from the producers and 24m from the Member States. If we want Community financing, we must also make appropriations available. We therefore propose that the 6m be doubled to 12m. The Committee on Budgets also proposes in point 3 that the whole amount be placed to reserve pending the modification of the aid system.

I admit that the proposal that in the interim the Commission should rely on producers' and national contributions sounds rather laconic, but after three years of inaction by the High Authority it seemed to us high time Parliament gave a clear indication of the course that should be adopted.

In point 4 we set out to achieve two things: on the one hand to encourage a review of the allocation criteria and procedures relating to the interest-rate subsidies, on the other, to release additional resources for research. In its memorandum, the Commission itself is rather vague and uncertain about the direction interest-rate subsidies should take, particularly where investments are concerned. These subsidies are also linked to loans granted by the ECSC itself, and here again the European Parliament has for years been calling for the budgetization of these loans. We therefore propose that this expenditure should be reduced to the 1981 level and that the 4m thus released should be added to research expenditure. This amount would be entered on the budget line for immediate action

and so enable an additional research effort to be made from the beginning of the year.

The 19m which it was earlier proposed should be entered in the reserve will not be available unless the proposed exceptional revenue is actually received.

On the last page of our amendment, Mr President, you will find a review of the ECSC operating budget in the form of a comparison of the actual draft and the Commission's initial estimates, which were reduced owing to insufficient revenue, with the results of the modifications I have just explained. The Committee on Budgets calls for a clear position to be adopted on this. We want, on the one hand, the coal and steel sector included in the restructuring negotiations forming part of the mandate and, on the other hand, changes made to the Commission's proposal to place the emphasis more clearly in the operating budget and to give it more definite shape.

I look forward with interest to the High Authority's answer. The Committee hopes it will take up the challenge the Committee has issued. This would be in the interests of constructive cooperation between the High Authority and the European Parliament and also in the interests of the future of the coal and steel industry in the European Community.

President. — I call Mr Percheron.

Mr Percheron. — (*FR*) Mr President, another year has gone by and the European Parliament is once again faced with an ECSC operating budget that in no way reflects the declarations of the European Council's or the Commission's proposals on the urgent need to reduce the Community's dependence on imported energy.

Once again, in the area of coal policy, the High Authority is content to go along with national policies, good or bad, and is bowing to budget constraints.

I should like, however, briefly to go into one or two specific points contained in the ECSC memorandum and in Mr Nord's report. It is absolutely essential to maintain and increase the level of expenditure on research in the area of mining technology and also in the area of production of oil from coal. The effort made hitherto — by the Community, for example, on deep gasification — cannot possibly be regarded as convincing by all those who believe that the key to Europe's future in regard to energy lies above all in clearly showing that it has the determination to exploit its own resources as a matter of priority.

By the same token, any declaration of intent to boost coal production must be accompanied by a genuine concern, not to say obsession, for industrial safety. The second mining safety programme, planned to

Percheron

begin in 1982, deserves the Commission's and Parliament's special attention. It would also be useful to establish quickly the results of the programme that is just ending. The future of the European coal industry is inseparably linked with the safety of European miners.

In view of the modest level of the sums committed, the interest rebates on certain coal investments can be little more than of symbolic value. That is why I should like to ask the Commission to state exactly what criteria have been adopted in 1982 to ensure better and full utilization of the appropriations entered in the budget.

For my part, I hope that the ECSC will openly discriminate in favour of resolutely voluntarist national policies and will not hesitate to give priority to the development of difficult deposits. In the clearly critical present energy situation, the High Authority must not shrink from certain responsibilities.

Finally, as regards the coking coal aid provision, while I can follow the rapporteur's and Parliament's basic reasoning, I still believe that it is imperative for the ECSC to coordinate its own efforts with those of the Member States. In this way the ECSC budget can again become, in the very near future I hope, an effective aid to the recovery of Community coal production.

President. — I call the Commission.

Mr Tugendhat, Vice-President of the Commission. — This is a short debate, just two speakers, but none the less an important subject, because, as the last speaker made quite clear, the ECSC budget is the basis on which two of our most important industries are financed in a Community context. In any case the ECSC budget has been playing a central role in the development of the Community now for a very long time.

Mr Nord started off by speaking about the 62 m ECU. I will not follow him down that road, because, as he will no doubt be aware, I said quite a lot about the 62 m ECU during my earlier speeches in the debates on the general budget. I would only be repeating myself if I discussed that subject now. What I said in the earlier debate obviously stands. In his remarks Mr Nord also drew a distinction between the ECSC budget and the ordinary general budget and provided an explanation, up to a point, of the differences. However, I think it is worth my while, Mr President, spelling this out. I do so most years, but it is a point to which the Commission does attach very great importance.

Under the Paris Treaty it is the duty of the Commission, in its capacity as High Authority of the Coal and Steel Community, to fix the annual rate of levy on

coal and steel products, which constitutes the main budgetary resources of the Coal and Steel Community. The assessed expenditure needs on the requirement side of the budget determine in theory the level at which this rate is fixed, but in practice in times of financial stringency the mechanism may, in fact, work the other way around. Right from the beginning the High Authority has paid particular heed in its levy decisions to the opinion of Parliament. This, of course, is why every year we consult this House on the scale of the next year's levy. What then happens, as Mr Lange remarked earlier this month in the Committee on Budgets, is that Parliament delivers its opinion and the Commission takes the fullest possible account of that opinion in its final decision. As Mr Lange said, any significant difference between Parliament's opinion and the Commission's decision would necessarily have to be based on firm and convincing reasons which could be fully explained in order to satisfy the Members. I wanted to make this point clear, because I think that there is sometimes still a certain amount of misunderstanding about the way in which the second budget works, as distinct from the ordinary general budget, and about the right and prerogatives of the institutions in relation to these two budgets.

I now come to the substance of the report. I should like, if I may, to start by referring to just one statistic which sums up the problem which dominates the ECSC budget at the present time. That, of course, is the size of the steel industry workforce. In the four years since October 1978 employment in the steel industry in the nine countries has fallen from 691 300 to 557 300, a reduction of some 134 000, of which over 52 000 has been in the last twelve months. It is these massive cuts in the workforce, arising from the painful restructuring that is now going ahead in the industry, which explain the shape of the 1982 budget proposals. They explain the dominance of traditional resettlement aid, estimated for coal and steel together at 117 m ECU. They explain the inclusion of the 50 m ECU for the new temporary steel social aids, whose financing is, of course, more a matter for the general budget. They explain the sizeable provision for job creation interest subsidies, some 40 million. These three items between them account for more than three-quarters of the entire draft budget. I do not believe, however, that anyone denies the necessity to provide for social expenditure on this scale in present circumstances. Certainly I am glad to note that Mr Nord does not dissent from the Commission's view that the levy rate be left at 0.31%, given the difficulty of imposing added financial burdens on the coal and steel industries in present circumstances.

This brings me to the rub of this particular budget. If it is agreed that the severe pressure resulting from the temporary growth of social expenditure should not be met by any increase in the levy, then there is bound to be an impact on other budget items, that is, on research or on interest subsidies for investment. Here,

Tugendhat

however, I must comment briefly on three suggestions made in the Committee on Budgets' report.

First, there is the suggestion that 4 m ECU be switched from investment subsidies to research in order to hold the latter provision at the 1981 figure. The Commission will, it goes without saying, give earnest consideration to this idea.

Second, there is the suggestions that extra customs duty resources could be obtained and allocated principally to the research chapter, although the Commission sees little practical chance of the Council experiencing a change of heart in its attitude to the customs duty proposal, which has been on the table since 1978. We would certainly consider showing potential receipts of this nature in a reserve heading, although such a heading would find its place below the line rather than appearing, as the 50 m ECU for steel social expenditure should certainly do, in the first part of the budget. This means that we do not entirely follow the notions on presentation for the ECSC budget set out in Amendment No 1.

Third, there is the idea of increasing the coking coal aid provision. The Commission has every sympathy with the idea of complete budgetization that lies behind the proposal, but the time is not yet ripe for implementing it, since this would have to be done as part of a general budget energy operation. Meantime, however, since no halfway house can really exist, there is no point in entering further monies in the ECSC budget above the traditional 6 million ECU.

In conclusion, the Commission sympathizes with the sentiments expressed in the first part of the proposed resolution regarding the problem of balancing the ECSC budget, and I can assure the House that the particular problem of coal and steel finance will not go unregarded in the follow-up work on the mandate which will continue to occupy us in 1982. We will also seek to find a pragmatic solution to the problem of giving the Committee on Budgets timely notice of our ECSC budget proposals, as requested in paragraph 8 of the motion for a resolution and mentioned by Mr Nord a few moments ago in his speech. In our further work we shall naturally bear very much in mind what has been said about the importance of aiding future coal and steel research, and I am glad to hear from the last speaker that even though steel is so much in our minds at the moment, the problems of coal are not being forgotten.

President. — The debate is closed.

The vote will be taken at the next voting time.

IN THE CHAIR: MRS VEIL

President

5. Votes¹

President. — The next item is to put to the vote the motions for resolutions on which the debate has been closed.

We shall begin with the *Antoniozzi report (Doc. 1-840/81): Financial and budgetary activities of the ECSC.*

(Parliament adopted the various documents)

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* *

President. — We shall now proceed to the *Nord report (Doc. 1-839/81): ECSC levies.*

(...)

Expenditure: Article 3.2 — Amendments Nos 2 and 3

Mr Nord, rapporteur. — *(NL)* On behalf of the Committee on Budgets, Madam President, I must recommend the House to vote against these two amendments. In committee we felt that the levy should not be changed this year. When we consider the enormous financial reserves of the ECSC, it certainly does not seem advisable to increase the burden on the industries concerned this year, in this period of crisis. We were therefore unanimous in believing that the levy should remain at its present level, and I must therefore recommend the House to reject these amendments.²

(...)

President. — I shall now take explanations of vote.

Mr Fernandez. — *(FR)* Madam President, the ECSC draft budget makes provision for a substantial transfer from the general budget for 1982. The argument of the social measures in connection with restructuring can be readily appreciated and I would even say that they are a necessity. But what is difficult to accept is that it should again be the taxpayer who has to bear

¹ This Report of Proceedings records only those parts of the vote which gave rise to speeches. For details of the voting the reader is referred to the minutes of the sitting.

² In addition the rapporteur declared himself in favour of Amendment No 4.

Fernandez

the cost of the operation. It is for the employers to foot the bill for the industrial and social chaos that they have deliberately brought about.

There are other things that can be said about this draft budget. It is the result of an iron and steel policy that has produced disastrous consequences, which we have repeatedly condemned. The financial cost of redundancies and retraining is such that it represents more than half the appropriations proposed by the Commission. In contrast, those allocated, or more precisely proposed, for research represent only one sixth of the budget.

Our country, which is today pursuing a different policy, a policy of developing the iron and steel and coal industries, cannot afford to ignore the unfortunate direction this budget is taking. We affirm our opposition to the proposal contained in paragraph 7 of the Nord report, which calls for the budgetization of borrowing and lending operations and the transfer to the Community of revenue from customs duties imposed on ECSC products. These supranational proposals will not be helpful — we are convinced of it — in developing European cooperation on coal and steel.

(Parliament adopted the resolution)

6. Compensation for Greek contribution

President. — The next item is the second report (Doc. 1-864/81) by Mr Dankert, on behalf of the Committee on Budgets, on the

proposal from the Commission to the Council (Doc. 1-423/81) for a regulation compensating Greece for its contribution to the cost of the financial mechanism and the supplementary measures for the United Kingdom.

I call the rapporteur.

Mr Dankert, rapporteur. — *(NL)* Madam President, a few part-sessions ago there was some confusion in this Parliament because we approved a proposal from the Commission for a regulation, although this approval was out of keeping with the motion for a resolution tabled by the Committee on Budgets. The committee therefore reconsidered the question of whether a legal basis is needed for the repayment to Greece of the money it contributes to the settlement of the British problem.

Madam President, I can be fairly brief since the Committee on Budgets continues to believe that a legal basis is not required for this repayment to Greece. This is an extension of our previous view on the need for a legal basis for the question of the British contribution. This does not mean that the Committee

on Budgets is this time putting forward the same proposal as last time.

Madam President, both the resolution and the explanatory memorandum have been so amended as to make no reference to the rightness or wrongness of repayment. They now discuss only the question of whether or not a legal basis is required, and on this the Committee on Budgets is almost unanimous in believing that it is not.

President. — I call Mr Plaskovitis.

Mr Plaskovitis. — *(GR)* In accordance with Rules 83 and 84 of the Rules of Procedure we are moving an objection on the inadmissibility of the discussion of the Commission's proposal and of the Dankert report on the grounds that the report and the Commission's proposal have already been discussed. The European Parliament has already voted on 14 October 1981 in favour of the Commission's proposal and I don't know how it is possible to discuss again the contents of this proposal which has already been adopted. The Dankert report basically aims to overturn the very decision which was taken on 14 October 1981. We think that from this point of view the whole discussion is inadmissible and should be cancelled, and, in any case, our objection should be put to the vote.

President. — I call the rapporteur.

Mr Dankert, rapporteur. — *(FR)* Madam President, this is not at all a problem on which I am qualified to give an answer: it is a question of the interpretation of the Rules of Procedure. When the vote took place I believe Mr Nyborg was asked what was the correct procedure, and this procedure was followed by the Committee on Budgets. I am therefore not in a position to give you an answer.

President. — I call Mr Papaefstratiou.

Mr Papaefstratiou. — *(GR)* Madam President, I think that the proposal to discuss Mr Dankert's report reduces Parliament's authority. As regards this report, on 13 October Parliament discussed the substance of the matter. Indeed, Mr Dankert withdrew his report on that occasion, we don't know why, we hope not intentionally, but nevertheless Parliament discussed the Commission's report. Many Members spoke, a vote was taken and the Commission's report was adopted. Consequently, what is the reason for returning to a discussion on this matter?

President. — The House must take up a position on this new report by the Committee on Budgets. The

President

procedure being followed seems to me to be entirely regular.

I call Mr Georgiadis.

Mr Georgiadis. — (GR) Madam President, Mr Plaskovitis initially requested that the whole of Parliament vote as to whether, on the basis of Rule 84, the discussion is admissible. I don't think that you have asked all the Members if this discussion is, in fact, admissible and, before I enter into a discussion of the matter, I would ask you to remember Mr Plaskovitis' request.

President. — I have just said by way of reply to Mr Papefstratiou that the Committee on Budgets had drawn up a report, which has now come back before the House in accordance with the opinion delivered by the Committee on the Rules of Procedure and Petitions. We have to vote on this report, unless you wish to raise formally the prior question of admissibility pursuant to Rule 84.

Mr Georgiadis. — (GR) Madam President, we find it unacceptable that Parliament has already given its decision on the matter of adopting the Commission's proposal and, consequently, the withdrawal of the Dankert proposal, in our opinion, could only have meant that the Dankert report supported the decision already taken by Parliament to adopt the Commission's proposal.

The fact that Mr Dankert presented his proposal again to the Committee on Budgets was of course necessary in order to enable the Committee on Budgets to discuss the new Dankert report, which of course had to be adapted to take account of the decision taken by a majority of the European Parliament. The fact that Mr Dankert has come back and is asking for the withdrawal of the Commission proposal on which Parliament has already taken a decision is inconsistent and, as my colleague previously stated, it undermines the validity of Parliament's decisions because Parliament cannot take a different decision today on a proposal it decided two months ago.

The second point, Madam President, is that in the Committee on Budgets our colleague, Mr Dankert, withdrew from his report all the points concerning the intention to make, or not to make, repayments to Greece and limited its scope to the legal aspect of the matter, in other words dealing with the question as to whether a regulation is or is not required for making repayments to Greece. We know that the relevant appropriations are entered in the budget, but this does not satisfy us because publication of the regulation, as the Commission quite rightly foresees, does not concern only the next budget, it also concerns forthcoming years and we Greeks at least cannot agree with a procedure which was adopted when Greece was not

a Member of the Community and we are not prepared to cooperate on this matter.

For this reason, Madam President, I should like to repeat my request to you for an examination of the procedural question as to whether Parliament can vote on the same topic again. Indeed, my personal abstention as a representative of the Greek Socialists on the Committee on Budgets meant that Parliament cannot vote again on a question on which it has already taken a definite decision.

If despite this, Madam President, you insist on discussing and voting on Mr Dankert's report, we must point out to you that we will vote on behalf of the Commission's proposal and we will refuse to vote on Mr Dankert's proposal.

(Applause)

President. — Unless the prior question of inadmissibility is raised, the only procedure is to have a full debate.

I call Mr Plaskovitis.

Mr Plaskovitis. — (GR) Madam President, excuse me, perhaps I am not very experienced, but I am amazed at the interpretation which is being given to Rule 84 of the Rules of Procedure.

Rule 84 of the Rules of Procedure states that at the beginning of the debate on a matter on the agenda a request can be made to move the inadmissibility of the discussion of the subject concerned. This is what we did.

The second paragraph, if it is accepted . . .

President. — Mr Plaskovitis, do you wish to raise formally the question of inadmissibility?

Mr Plaskovitis. — (FR) Yes, Madam President, pursuant to Rule 84 of the Rules of Procedure.

President. — Very well, that is just what I wanted to know. I shall therefore put your motion to the vote.

I call Mr Bournias.

Mr Bournias. — (GR) Madam President, in order to simplify matters let me make the following suggestion. Although there is a report which deals with this matter Parliament cannot vote on the same issue twice. Consequently the matter is settled and the New

Bournias

Democracy Party agrees with the opinion expressed by Mr Plaskovitis.

(Parliament adopted Mr Plaskovitis's motion)

President. — I call the rapporteur.

Mr Dankert, rapporteur. — *(FR)* I consider it a perfect solution, but there is one problem: On the last occasion this report was not declared inadmissible, the same report comes back and now it is. We are faced here with a procedural problem. I would ask you to refer this question back to the Committee on the Rules of Procedure and Petitions for further study, for it was on its advice that the report was put back on the agenda.

President. — It had been my intention to send this whole matter back to the Committee on the Rules of Procedure and Petitions. This difficult problem of procedure must be cleared up, because there is a contradiction between the motion for a resolution voted on and the vote on the Commission proposal.

Mr Dankert, rapporteur. — *(FR)* There is another question, Madam President, concerning the significance of the vote which took place in October. The House adopted a proposal for a regulation without adopting the corresponding resolution, which is not possible under the Rules of Procedure. Is the vote therefore on the Commission's proposal for a regulation valid?

President. — This question has already been put to the Committee on the Rules of Procedure and Petitions, but I think it will have to be put again. For the moment the report is withdrawn, and we shall refer the whole matter to the Committee on the Rules of Procedure and Petitions.

Mr Dankert, rapporteur. — *(FR)* Is not the effect of the October vote, according to the interpretation of the Rules of Procedure, simply that Parliament has not given its opinion on the draft regulation? We have to be clear about this.

President. — We cannot interpret the Rules of Procedure. This is a very difficult institutional problem, which must be examined together with the Committee on the Rules of Procedure and Petitions and the Council.

7. Anti-dumping activities

President. — The next item is the report (Doc. 1-422/81) by Mr Welsh, on behalf of the Committee on

External Economic Relations, on the Community's anti-dumping activities.

I call the rapporteur.

Mr Welsh, rapporteur. — Madam President, this report which I am presenting represents nearly two years' work by the Committee on External Economic Relations, which has undertaken a detailed investigation of this important Commission activity. This investigation included a public hearing at which different sectors and interests were represented, and I believe that that public hearing produced one of the best discussions of this rather complicated subject that exists. I do believe that Parliament can take a great deal of pride in having done this work, which involves detailed monitoring of its sister institutions, and though it may not be as glamorous as some of the things we discuss, I am not at all sure that it does not have even greater value.

There will be those who say that any discussion of anti-dumping involves some form of commitment to protectionism. To people who say that, I would say that an effective anti-dumping service of the Commission is a necessary concomitant of the open trading system. If our own enterprises and manufacturers are to respect the rules of the open trading system they must be sure that their own rights are safeguarded, and that is what the anti-dumping service is there to do. A strong and effective anti-dumping service is thus a most important element in the common commercial policy, and the area is one in which the Commission has full competence. It is particularly important, therefore, that Parliament monitors the performance of the Commission in this sphere.

The first substantive point to make is that the Commission totally lacks adequate resources to carry out this important activity. Its present staff is 28, divided into 14 investigating teams. This compares with 140 people engaged in broadly the same activity in the United States, and this number of staff is quite clearly inadequate to deal with the Commission's case-load.

Many of the criticisms that have been made of the anti-dumping service have their roots in the fact that the Commission simply does not have adequate resources to discharge this function. The committee's resolution makes a series of proposals which would provide the Commission with adequate staff to carry out the anti-dumping function by 1984. In so doing, we have tried to take the question of these posts out of the annual budgetary football match and tried to give the Commission an element of certainty with which to plan ahead. I do commend this approach most strongly to the House and also my two amendments to the first two paragraphs of this report, which simply have the effect of bringing it up-to-date in line with the current realities.

Welsh

The anti-dumping complaints procedure must indeed be seen to work if it is to secure public confidence. There has been a good deal of ill-informed criticism of the Commission, which has to tread a most difficult path between its administrative and its judicial functions and between the need for transparency and the requirements of commercial confidentiality.

The committee has made a number of suggestions as to how procedures might be improved, notably by instituting a system of formal surveillance once a *prima facie* case has been established, by making the application of provisional duties the normal rule rather than the exception and by explaining the contents of any price undertaking to the complainant, so that he may be fully aware of what his remedy actually is.

It is important that the Commission's procedures be seen to be transparent and fair. In particular, rights of defendants must be properly respected, and this is very much in the interests of Community firms who, after all, have themselves been known to be the subjects of anti-dumping actions in other countries.

It is also, in your committee's view, important to clarify the difference between the administrative and judicial functions that it undertakes, and I was interested to see that a very similar concern was raised by the report of my colleague, Mr Beazley, in the field of competition. What we are proposing is that there should be a panel of expert referees who are available to hear appeals of fact from Commission determinations if a complainant, or indeed a defendant, feels that the Commission has either misunderstood the facts or got them wrong. It seems to us that this would provide a valuable measure of protection for the Commission itself from unfair attacks and would, indeed, have the effect of expediting procedures rather than delaying them.

There is a recommendation that the Commission should produce an annual report on its antidumping activities. This report is envisaged as being analogous to the report on competition and would enable Parliament to undertake its monitoring functions with rather more precision and act, we hope, as the focus for an annual debate on the Commission's performance in this sphere. In the judgment of your committee, monitoring the anti-dumping service and providing it with an adequate parliamentary base is just as important as monitoring the competition service.

There have been calls for a tightening of procedures, but such calls do not pay sufficient regard to the fact that dumping and subsidization are defined in GATT and therefore the rules cannot just be altered at the whim of the Community or anyone else. On the contrary, a redefinition of the anti-dumping codes would require a new international treaty. Unfortunately GATT's instruments, which have been designed to deal with a period of sustained economic expansion, have proved less suitable when it comes to dealing

with the consequences of recession, and thus the anti-dumping procedure, which is one of the few protective devices that the general agreement provides, has to carry a disproportionate weight.

The answer is not new measures of protection but the efficient deployment of those mechanisms that already exist — framework agreements, joint councils and the like. This is why we propose in our resolution that the responsibilities of the Commission should be expanded in the field of commercial defence to take in other instruments and other opportunities and not merely the anti-dumping procedure.

Equally the internal procedures must be adapted so that the Commission in its determinations can take account of such new phenomena as secondary dumping, which is currently causing grave concern to the fibre industry, but in doing so they must be careful not to enlarge the definition of dumping to such an extent that it might rebound on the Community later. Your committee is basically in favour of keeping the juridical aspects of dumping to the minimum and increasing the commercial responsibility of the Commission to the maximum.

If we are to have confidence in our Community, the Commission must be seen to be defending the legitimate interests of Community industry. It is no longer enough for the Commission simply to hold the ring in the name of an open trading system which is perilously close to collapse. On the other hand, as we are repeatedly reminded by the Heads of Government, and indeed the Council of Ministers, we have a powerful commitment to the maintenance of the open trading system. In your committee's opinion, a successful anti-dumping service, with adequate resources and proper parliamentary backing, can play an important role in keeping this system open.

IN THE CHAIR: MR ZAGARI

President. — I call the Socialist Group.

Mr Seeler. — (*DE*) Mr President, ladies and gentlemen, we live in a world in which the words 'solidarity' and 'cooperation' are frequently used in speeches, treaties and declarations. But in practice national egoism and the principle of self-interest before common interest is far more pronounced.

This is particularly true of trade among countries, especially at times of economic recession, and of late increasingly so within the European Community as well. One means of promoting self-interest without regard for the principles of GATT, thus infringing the

Seeler

principles of free trade, is to dump goods, particularly by charging artificially reduced prices, in order to achieve a better competitive position. I stress the word 'artificially' here, since State intervention, export subsidies and the like are involved.

A completely different matter, and something we are not discussing today, is genuine competition achieved through favourable costs. These problems are described in Mr Welsh's excellent report, which also discusses the steps that can and must be taken to ensure protection against dumping. It is particularly important — and this is a point I too should like to emphasize — for the Commission to be equipped with sufficient staff to process complaints about dumping without delay. This is a matter to which I referred in 1980 during the deliberations on the 1981 budget and again last month during the debate on the 1982 budget as the draftsman of the opinion of the Committee on External Economic Relations, stating on behalf of my committee the grounds for additional staff posts, without there having been any reaction worthy of note from the Council.

The argument repeatedly advanced in the Council is that savings, must be made. At national level, we are told, savings are being made in the bureaucracies, and the European Parliament must therefore be extremely conservative in its demands for new posts. What is overlooked here, however, is that the national bureaucracies have been in existence for many years and can undoubtedly take staff cuts in many areas without coming to any harm, whereas the European administration is still in the process of development and in many areas is not yet properly equipped to do the job.

My Group views the effect of dumping methods on the labour market with particular concern. There can be no doubt that many thousands of citizens in our countries are out of work owing to the import into the European Community of goods at prices which are more favourable because they have been artificially reduced. Anti-dumping measures thus represent a means of fighting unemployment in the Community.

Rapid and effective action must be taken by the Commission. There is absolutely no point in the Commission establishing after many months have passed that certain products have been dumped in the Community and then reacting by increasing duties and so on, because by that time the firms concerned may already have gone out of business, resulting in the loss of the jobs of their employees. There is no point in taking anti-dumping measures after the event. This is not just theory, ladies and gentlemen, because there are many practical examples to show that this is the way things are. I therefore emphasize once again the need for improvements in the staffing of the relevant services of the Commission.

My Group will be voting for the report. I would also appeal to the Council and Commission to do every-

thing they can to give our economy and jobs effective protection against dumping measures taken by our trading partners. Free trade is a decisive factor in the growth of the economy and thus in the security of many jobs. It must be protected with all available means.

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

Mr Remilly. — (*FR*) Mr President, the Group of European Progressive Democrats is pleased to note that Mr Welsh's report contains a number of proposals which echo its own preoccupations in this area. It is something of a paradox that, in this difficult business of the handling of its anti-dumping measures, the Community should find itself accused at the same time both of weakness and abuse, but this was inevitable given that the Community chose, rather than to present a united front in the face of these practices, to give battle in extended order.

Although we certainly would not advocate an easy protectionism, which would in any case be harmful to the Community's interests, we are nevertheless disturbed to see its increasing involvement with problems of unfair competition and its inability to implement a coherent common policy, and we regret that, rather than giving preference to concerted solutions, the Community should resort to unilateral retaliatory measures.

This policy of resignation must cease. Everything seems to indicate that, more than ever, the Community's economic structure is like a sieve which lets everything through. A whole series of symptoms indicate this and they are indeed rather alarming signals. One will recall the rapid increase in imports of every description into the Community, the significant and growing impact of these imports on the Community market, the degressive effect of low-priced imports on the prices charged by Community producers. All this gave rise to the crisis in the Community's industry.

We know that the European market, with its 270 million consumers, is certainly very attractive, but with 9 million unemployed the Community has always to bear in mind that its consumers are also workers whose fate is directly dependent on the degree to which the Community is determined to defend their interests.

Dumping tends not only to throw the international market and the national markets into confusion, but also to endanger the survival of certain precarious sectors of industry. Where do the United States and Japan sell their products? Not in the Third World, because no one there can afford them. Naturally, it is in Europe that they find the outlets for their products,

Remilly

as the customs barriers are so weak. Where can the countries of the Third World dispose of their goods? Not in the United States or Japan, these markets being virtually closed. So there only remains Europe, and indeed Europe buys.

The European Community is thus subjected to the combined effects of a two-fold dumping: economic dumping by the industrialized countries and social dumping by the non-industrialized countries. On the other hand, where can Europe export to? To the Third World countries? Yes, but not to the United States or Japan, for whilst the European Community has both the lowest and the most uniform customs tariff that is to be found anywhere, the same cannot be said for the United States or Japan. We have even come to a point where, irony of ironies, US Steel, America's largest steel producer, has just confirmed its intention to bring several anti-dumping actions against steel imports, in particular against the Community's seven exporting countries.

It all seems like a dream. These accusations appear to rest more on doubtful statistical evidence than on precise facts arguable in law. They are dictated by the desire to protect the privileges of local companies, and exorbitant privileges at that in view of the situation of European steel producers.

It is no fault of the Europeans if the soaring dollar has made the American market more open. And so, whilst paying tribute to the initiative of the Committee on External Economic Relations, the Group of European Progressive Democrats believes that on certain points the rapporteur has shown himself to be far too timid. Undoubtedly his anxiety to please everyone prevented him from adopting more radical positions.

For our part, our main concern today is to try to bring about the emergence of a firm political will. With this in mind, the Group of European Progressive Democrats calls on the Commission, in the US Steel business, to adopt a determined and unyielding attitude in order to ensure that the Community's economic interests are protected in a sector that has already suffered all too much from the lack of concerted action and from the lack of harmonization. And, finally, it calls on the Commission, on a more general level, to adopt appropriate measures to safeguard the Community's economic interests in the face of increasingly ruthless dumping.

President. — I call the Commission.

Mr Haferkamp, Vice-President of the Commission. — (DE) Mr President, I should like to begin by offering the Commission's thanks to the rapporteur for the excellent report he has submitted to us, and I can assure him that it will continue to have our full attention after the short debate we are able to have here

today. I should also like to thank the House for its interest in this subject.

The report provides a penetrating description of the significance practices falling under the heading 'dumping' can assume. And it has just been pointed out in the debate that particular attention is called for in the present economic and social situation. As the difficulties in the world economy increase, the temptation to defend one's own market with protectionistic measures and to increase exports by resorting to dumping or other distortions of competition grows. It has already been said that this can have an adverse effect on our own economy. But I must emphasize the great importance to be attached to the correct application of the rules and procedures relating to dumping if the system of international trade is to be maintained.

As the report states very succinctly and extremely clearly, the dumping question lies at the centre of a system of international rules. On page 9 the report says — if I may quote, Mr President: 'The concept of dumping and the remedies available to eliminate its effects are established by international agreements.' The report then goes on to describe in detail what is involved. In the interests of maintaining a workable world trade system, it is therefore necessary for these international agreements to be respected, meaning not only that dumping practices should be eschewed but also that use should be made of the available instruments to protect against dumping. The use of these instruments should then be as correct as is frequently stated in this report and also in a number of important paragraphs in the resolution, since this will form part of the contribution we must make and expect others to make towards the maintenance of rules and procedures in the system of international trade.

As the world's largest trading partner, we have an interest in ensuring that this is done. We must ourselves apply the rules to the letter and expect others to do the same. Where we find goods are being dumped to the detriment of our economic and social interests, we must make rapid and effective use of the existing, internationally established instruments. In discussions in this House and the committees in the past it has been said that this is extremely difficult for the Commission in view of the staff at its disposal. I should like to thank the rapporteur, the committee and the House on behalf of the Commission for the support we have always received for our desire to increase our staff complement in this important sector of our operations.

Most of the proposals made in the motion for a resolution are acceptable to the Commission. They mostly provide a new impulse. New and important ideas underline our activities, and we are grateful for this. This is true, for example, of the call for an early decision on requests for temporary customs duties. Rapid action has been called for to prevent further aggravation of damage that has already been done. We must

Haferkamp

therefore be able to introduce temporary duties quickly when dumping and losses have been clearly proven. I should also like to refer to the need mentioned by the rapporteur and in the resolution to consider what the final duty rates should be after a six-month period.

On the other hand, I have my doubts about some aspects of the resolution. For example, we do not consider it practicable, or it will not produce positive or the required results, if, as paragraph 6 proposes, goods that are the subject of an anti-dumping procedure are automatically submitted to an import inspection system.

It takes some considerable time for the results of inspections by the customs offices to be received. We believe that the present practice of carrying out *ad hoc*, on-the-spot checks with our inspection facilities will produce practical results straight away. In addition, the customs offices often have difficulty because it is not just a single product but possibly a whole package of goods that has to be checked.

As regards paragraph 8, we feel that, with due respect, of course, for confidentiality, which we guarantee, European industry also has a right to be informed. We cannot, however, accept the idea of industry having a right of veto on the adoption of proposals for amicable solutions from foreign exporters. This would entail the Commission relinquishing a decision-making power in the area of commercial policy which falls within its terms of reference and for which it is also accountable to this House.

On the idea of setting up a special committee of experts on anti-dumping procedures at the European Court of Justice, all we can say is that the Court is free at all times to hear experts and, if necessary, it could, of course, set up a committee of experts. I do not intend to discuss problems of an institutional or legal nature that might arise in this context.

The Commission is, of course, prepared to discuss its anti-dumping policy with the House at any time. It has been suggested that this discussion should take place every six months. I feel that for a regular report of this kind yearly intervals would be preferable. If it was made every six months, we would often find a fairly large number of cases were still pending. We would therefore prefer a twelve-monthly reporting period. But we are, of course, available at all times and on an *ad hoc* basis, in addition to the annual reports, to

discuss specific matters in this area, either in the appropriate committees or before the House.

President. — I declare the debate closed.

The vote will be taken at the next voting time.

8. *Competition policy* (continuation)

President. — The next item is the continuation of the debate on the Beazley report on competition (Doc. 1-689/81).

I call the European Democratic Group.

Mr Purvis. — Mr President, I am absolutely amazed. This is a most extraordinary debate — I hope you are not timing this little bit of it, because I really must put down my gravest objections to the way this debate is being run. We had three speeches on it yesterday. You will be lucky if you get my 2½ minutes in tonight. You will have more on Thursday, perhaps more on Friday. What is this? A comic soap opera? It is no honour to Mr Beazley's formidable report that we should behave in this manner.

You can now start timing. I see I have two minutes left . . .

President. — Forgive me for interrupting you, Mr Purvis. If you would agree to this, the debate could be continued on Thursday, which would give us the opportunity to have a more thorough debate.

Mr Purvis. — (*IT*) At the beginning of Thursday's agenda or at the end?

President. — After the Blumenfeld report.

Mr Purvis. — (*IT*) It is for the rapporteur to say. As far as I am concerned, I am in agreement.

(*The sitting was closed at 7 p.m.*)¹

¹ *Agenda for the next sitting: see the minutes of this sitting.*

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IN THE CHAIR: MR DANKERT

Vice-President

*(The sitting was opened at 9 a.m.)*¹

1. *Topical and urgent debate*

President. — In accordance with Rule 48 (2) of the Rules of Procedure the list of subjects has been drawn up for the topical and urgent debate which will be held between 9 p.m. and midnight tomorrow.

*(The President announced the list)*²

I call Mr Beazley.

Mr Beazley. — Mr President, a resolution signed by 21 members of the Committee on Energy and Research was added to that list by the European Democratic Group last night.

President. — We shall vote on it without debate.

2. *Committees of Parliament*

President. — The next item is the joint debate on

- motion for a resolution by Mr Prag and others on the committees of Parliament (Doc. 1-758/81/rev.)
- motion for a resolution by Mr Klépsch, chairman of the Group of the European People's Party, Mr Bangemann, chairman of the Liberal and Democratic Group, Mr de la Malène, chairman of the Group of European Progressive Democrats, on the constitution of the committees of the European Parliament (Doc. 1-888/81).

I call Mr Enright.

Mr Enright. — Merely, Mr President, that as a signatory of that particular motion I am quite willing to speak until Mr Prag arrives, though it might be rather a long and daunting task.

President. — I call Mr Provan.

Mr Provan. — Mr President, can you just inform us how this debate is going to operate? Are the groups in fact being allocated speaking-time for the day and has that got to cover this debate? How exactly are you going to organize the actual debate?

President. — The speaking-time has been announced¹ and it is up to the groups to allot time to their speakers within the speaking-time allocated.

I call Mr Enright.

Mr Enright. — Certainly, Mr President, in a totally unscripted way, but it is in fact very easy to do.

What is proposed by this motion is that we do not increase the number of committees. The reasons for this are quite simple. First, it is not necessary: the subcommittees are working perfectly well, as I understand it at the moment. Secondly, we would be extending our resources to such an extent that we should not be able to cover our essential duties. We do not have the interpreters, we do not have the staff to set up such committees, and therefore I submit to the House, Mr President, that it would be quite absurd of us to extend the number of committees. And so quite simply, I would urge this House to back the Prag resolution ensuring that the number of committees stays as at present, with the two extra committees that we have already decided.

I should add one thing: that if in fact one looks at the attendance at committees, then one will see that it is a certain number of people on each committee who are doing the bulk of the work anyway and that other members simply do not attend; and we should get into a similar situation here, with people merely attending meetings on human rights or women's rights because they are *prima donnas* — and that is not a sexist remark!

(Applause)

President. — I call Mr Bangemann.

Mr Bangemann. — *(DE)* Mr President, I would like to refer to the three arguments mentioned by Mr Enright which I presume have also prompted Mr Prag to table this motion for a resolution. His first point is that it is not necessary to set up new committees on fisheries or human rights.

However, irrespective of their group loyalties, members both of the Political Affairs and Agricultural Committees, to which these two sub-committees are

¹ *Approval of minutes — Documents received — Withdrawal of two motions for resolutions: see minutes.*

² See Minutes.

¹ See minutes of 14 December 1981.

Bangemann

attached, are unanimous in their opinion that the committees do not have enough time to deal with the work of sub-committees. Basically, a sub-committee doubles the workload. First of all the work has to be done in the sub-committee and then the results have to be presented in the full committee, which has to devote time to them. Only then are they discussed in plenary sitting. This procedure is a great waste of time and so it is essential to set up these committees, especially as we all know that fisheries problems are growing and not decreasing. I am sure that my colleague Mr Gautier, who is the expert in his group, will agree with me on the importance of fisheries.

Moreover, I think that the two other arguments mentioned by Mr Enright are also unsound. Firstly, we take it for granted that the two new committees will be looked after by the secretariats of their parent committees, that is to say no new posts will be created. Nor will any new committee seats be established.

(Cries from certain quarters)

If you really think that mathematics is joking, of course I have no argument against you. But look at the figures: we have the same number of seats for parliamentarians, and the attendance of committees is much better if you have a committee of 21 instead of 31, because the importance of each single member is much greater.

In the meantime together with my colleagues Fanti, Pannella, Klepsch and de la Malène we have tabled a motion for a resolution, i.e. this joint proposal is backed by five groups. I very much regret that the Conservative and Socialist Groups found it impossible to support the joint motion for a resolution. Mr President, if we have no other choice we will just have to vote on it this afternoon. Then we will have an opportunity to show where we stand by means of various amendments.

Again, I would like to stress our proposal will not cost anything and will improve efficiency; it will not increase the members' workload and will make it easier for us to fulfill our obligations. Fisheries and human rights are areas which up to now have been such a burden on the Political Affairs Committee and the Committee on Agriculture that it is more sensible to organize them separately. This way we shall also be able to do what is expected of us to tackle relatively topical problems. For this reason my group supports this motion along with the other groups.

President. — I call Mr Gautier to ask a question.

Mr Gautier. — *(DE)* Mr Bangemann, you have just claimed that the Committee on Agriculture and the Fisheries Subcommittee are overburdened. Have you

ever asked the members of these two committees how they feel about setting up these additional committees?

Mr Bangemann. — *(DE)* Mr Gautier, I was referring to both committees and it is quite obvious that the workload is doubled when an item first has to be discussed in a subcommittee and the results then have to be presented in the full committee. That there are members of the Committee on Agriculture and the Political Affairs Committee who do not want this division ...

Mr Gautier. — *(DE)* The overwhelming majority, Mr Bangemann!

Mr Bangemann. — *(DE)* ... is something you will find out for yourself this afternoon.

I will accept any majority decision. What is all the excitement about? This afternoon we shall take the vote and if the House believes that these two new committees should be set up we will do so, otherwise we will not. It will not be the end of the world. But, it should be possible to discuss these matters in a more reasonable manner. You should realize that there are also members in the Political Affairs and Agricultural Committees who share my views.

President. — I call Mr Prag.

Mr Prag. — I am here, Mr President, as a Member of this very first directly elected European Parliament because I personally believe in European Union and also in democratic control over the executive branch, though sometimes it is admittedly hard to do so. I believe in the dignity and integrity of this Parliament. I believe that in carrying out its task of supervising and checking the work of the executive of the European Community it must treat public money with the greatest respect and always strive, above all in its own operations, for maximum economy, maximum efficiency and maximum effectiveness. However, let me first examine the Bangemann, Klepsch and de la Malène proposals coolly from the standpoint of the Rules of Procedure.

The motion for a resolution divides our committees into two groups — group (a) consisting of permanent committees and group (b) which is a curious mixed bag described as having specific tasks. It is true that Rule 91 envisages that committees may be 'permanent or temporary, general or specialized', but the nature of the distinction between the standing committees under (a) of the Bangemann motion for a resolution and the others under (b) is not at all clear. We can leave aside the 15 committees under (a). They all exist already with the exception of the new institutional committee,

Prag

and the decision to set up the institutional committee has already been taken by this House. I am certainly not calling any of them into question. Under section (b) we can leave aside the Committee on the Rules of Procedure, the committee on the verification of credentials — both exist and must continue to exist — and the Committee of Inquiry on the Situation of Women, on which a decision has already been taken by this House, though it remains a committee of enquiry and no more. But what of the two remaining committees under (b)?

The Klepsch, Bangemann and de la Malène motion for a resolution says they are to have specific tasks, but it says nothing about whether they are to be standing, permanent or temporary committees, as required by Rule 91. Now that is a very important matter, because if they are to become permanent committees nobody is going to tell me, Mr President, that they will not eventually have a life of their own and a staff of their own and take up very substantial amounts of our expenditure.

However, the reputation of this Parliament for maximum effectiveness is even more important than the dubious conformity of this motion for a resolution with the Rules of Procedure. That is what is really at stake. Ever since we were elected, Mr President, we have been told by our leaders that there could be no more committees. There were no rooms, no staff, no time, not enough Members. We have been given all these reasons.

(Applause)

The existing committees, it was said, covered all the necessary range of subjects. What a battle we had, Mr President, to get even a Committee on Transport, though transport is one of the three common policies enshrined in the EEC Treaty! There was no room on the agenda for reports by existing committees, and we all know what a problem we have with the agenda. These were all powerful arguments, Mr President, and we accepted them.

Now, however, following — for reasons which many of us approve — the breaching of the barrier by the institutional committee, new committees have suddenly become high fashion. The chairmen of certain political groups, it seems, could not think of enough of them. Three more we were going to have — on human rights, women's rights and fisheries — and they were conceived in inexplicable haste out of their new unquenchable and fertile enthusiasm for new committees. What has happened, Mr President? Whatever was it that suddenly turned upside down the received wisdom? They can call it what they like, Mr President: tactical politics, jobs for the boys, but it all adds up to shameless manipulation of the backbenchers of this House.

(Applause)

Now various divisions of the Members of this House have been made, but we know that already the attendance of Members at committee meetings is not satisfactory. There was an occasion a couple of weeks ago in a committee which I happened for some curious mathematical reason to be chairing when there was no member of one of our main groups present. We had to send out for someone because it was on a budgetary question on which we should not have taken a vote without that group. Now I am sure that this is not the fault of Members, because we have so many things to do. But the fact is there. We do not have enough Members to make the committees that we already have work properly. Already the staff of some committees are frequently in difficulties about the servicing of their committees. Our agendas are already full, there are too many reports coming forward. Members sometimes have to wait months to get their reports on the parliamentary agenda. If we have a Human Rights Committee, we shall emaciate the operation of our Political Affairs Committee. Our main committee will find its role diminished, and one thing I am convinced of, Mr President, . . .

President. — Will you allow Mr Bangemann to ask you a question?

Mr Prag. — It is a very good British parliamentary practice, and I will allow Mr Bangemann to ask me a question.

Mr Bangemann. — Do you know, Mr Prag, that we have much difficulty at any meeting of the enlarged Bureau in filling the draft agenda? The reason is that virtually every second report has to be prefixed by the word 'possibly', because it has not yet been adopted by the committee responsible. Some such reports not yet adopted in committee have to be put on the agenda, as indeed was the case this week, simply because we do not have enough reports to debate.

President. — I call Mr Prag to resume his speech.

Mr Prag. — My only reply to Mr Bangemann would be to ask him to count the number of reports that we are supposed to deal with tomorrow and Friday. We shall never conceivably get through them, and he knows that.

By Parkinson's law, the most infallible law I know, a 20% increase in the number of report-producing committees will certainly produce at least 20% more reports, Mr President, and at least 20% more paper which our Parliament cannot cope with. The whole notion of additional committees is impractical, wasteful and irresponsible. Additional new committees — I stress additional new committees, because I accept the decisions that have already been taken by this

Prag

Parliament in plenary session — are not needed, not justified and not wanted. If we do not stem this particular tide, I am afraid that the dignity and integrity of this Parliament will be called into question by our electors.

(Applause)

President. — I call the Socialist group.

Mr Seefeld. — *(DE)* Mr President, ladies and gentlemen, on behalf of the Socialist Group I would like to make it quite clear that we do not intend to set up new committees in this Parliament, with the exception of an Institutional Committee. We are convinced that the existing committees are sufficient, that they are functioning satisfactorily and that all subject areas can be dealt with adequately by them. We are particularly surprised that the work of Vice-President Vandewiele, who at present is examining how the allocation of work to particular committees can best be organized, is being in some way undermined by the creation of new committees.

(Applause)

Ladies and gentlemen, Mr Prag's speech sums up what we believe and I do not have to repeat it. Let me make it clear: this Parliament does not need any new committees, we are quite well able to do our work with the existing ones.

Secondly, anyone who is familiar with the work of this Parliament knows that even now it is sometimes difficult to find a quorum for certain votes. Mr Bangemann's argument is unsound because with more committees it will become even more difficult to find quorums for qualified majorities. This is hardly what we want. The chairmen of the Groups that have supported this motion should not be trying to create new committees — they should be getting their members to participate in the existing ones.

Moreover, we believe that it is time to stop trying to set up committees so that certain Groups can further certain interests, so that certain Members can become new chairmen or vice-chairmen or can step into other posts. This cannot be our objective. I am told that some Members have calculated what committees they are in line for and what posts are earmarked for them. This is unworthy of Parliament and should have no bearing on our work.

We believe that there are no plausible grounds for creating new committees, apart from the one committee I have mentioned.

Let me sum up as follows: we must give careful thought to how we can improve our work as a whole. Some reports which were completed six months ago or

more have not yet been discussed in plenary sitting. When Mr Bangemann says that on occasions certain reports had to be dropped from the agenda, he forgets that certain reports have not been included on the agenda at all, although some of these have been ready and waiting in the committees since June. My fear is that as soon as new committees are set up, new activities get underway and new reports prepared, Parliament will be snowed under with new topics. We must avoid piling up the backlog even more. What we must do is deal with matters already before us — that will give us enough to do. Finally, the Socialist Group believes that attention must be paid to costs and, in particular to staffing. Every new committee means that new staff will be needed to work in the committees, irrespective of whether the members of the Committee are present or not. Parliament staff must be present whether three, five, seven or ten members attend the meetings.

New committee chairmen would develop new activities, would want to prove how good they are, would come up with a stream of new topics and would present this House with new but superfluous material.

Let me say frankly and in all friendliness: our work up to now in the committees has been good. It is also plenty for the next two and a half years. Parliament should be concerned with being effective and not with setting up new committees.

President. — I call Mr Notenboom.

Mr Notenboom. — *(NL)* Mr President, I am speaking on my own behalf and would like to congratulate Mr Prag on the excellent way in which he presented and explained his motion, including his psychological interpretation of the real motives underlying the other proposals.

I am speaking here not only because, as a member of the Committee on Budgets, I am concerned with the financial aspects. That is not my primary concern. My main worry is that if the unfortunate motion to increase the number of committees is adopted, the areas of friction in this Parliament will increase, Parkinson's law will make itself more strongly felt and there will be more disagreement as to the delineation of responsibilities, especially as regards the submission of opinions. Naturally, after a brief pause, the need for more personnel will arise as a matter of course and will be met. This is what I have seen over the past 10 years; this is the way it works. Mr Prag, who is relatively new here, has done an excellent job in presenting the arguments. After all, what will be the outcome? Parliament will become slower, more time will be spent on questions of procedure, it will take more time to prepare opinions in the dialogue between the Commission, the Council and Parliament. We will have to wait longer for opinions, more opinions will be

Notenboom

needed and we will suffer even more than before from a surfeit of chairmen.

It is the same as with money — too much means inflation. Whenever there are too many committees the importance of each one becomes smaller rather than greater, as is likely to be the case here.

The key to a more responsive and efficient parliament lies in self-control and in stemming the flow of inane resolutions which very often have little to do with our real work and often treble or quadruple the workload. This is the approach we must adopt if, in the two and a half years which still remain, we are to become, a parliament which can respond quickly and effectively to the Commission's proposals and can make itself heard whenever this is necessary in Europe. It is here that the solution lies and not in the creation of more committees.

President. — I call Mr Müller-Hermann.

Mr Müller-Hermann. — (DE) Mr President, I speak only on my own behalf, but I know that everyone in the House is thinking of ways in which we can work more effectively. Again and again we have been disappointed at the lack of efficiency in our work. Yesterday's debate on the budget, which went on for far too long, could have been compressed into two hours. This is an example of how other important issues such as a statement on Poland are relegated to a time of day which is quite inappropriate and does not do justice to their topicality. For this reason I feel that we should not uncritically swallow everything that our superiors in the Bureau have prepared for us. The proposal that is being made here is certainly not likely to improve Parliament's work. We must all take care to focus on quality rather than quantity. This is the only way to make this Parliament more efficient.

President. — I call Mr Sutra.

Mr Sutra. — (FR) Mr President, in my view fisheries policy is at a serious disadvantage in that, in voting on any other issue in our Parliament, approval is needed at committee and plenary level whereas in the case of fisheries, approval has to be gained at three levels: in sub-committee, in committee and in plenary session.

I should add that we would welcome other common European policies — industrial, social and plenty more — but at present there are only two: agriculture and fisheries. How can we work if the only two existing policies are handled by the same committee? If there are people who claim that this is possible it is because they have not attempted it! On this point, quantity and quality are inseparable.

President. — I call Mr Maher.

Mr Maher. — Mr President, I think there is a danger that we could get ourselves tied up in knots. I do not think that there should be any doctrinaire approach to the number of committees that we have. I think we should be selective. If there is a good argument in favour of taking up a new issue, an area that has not been covered adequately already, then we should not put ourselves in a position in this Parliament where we cannot deal with that problem adequately by, say, setting up a new committee.

I am not necessarily in favour of new committees or of extra work, but I would say this much: if, as has been said, we have committees in the Parliament that have been badly attended, we have got to ask why. Why are they being badly attended? Why are the parliamentarians not turning up? Perhaps even some of the committees we do have are not necessary. Obviously if they are important, people ought to be attending them. We have got to look at that.

We have to look, for instance, Mr President, at the question of Friday. Friday is just as important as any other day, and I look across at those benches usually on Friday and there is nobody there. Everybody has gone home. People say they have not time enough. They go on Thursday evening. They do not turn up on Friday.

(Applause)

I think we have got to look at these various problems.

Mr President, I would say that fisheries is a vitally important subject and I would be in favour of raising fisheries to the status of a full committee, because it needs to be treated in the same way as agriculture, as it is just as important. I do not think it should be downgraded. Mr Provan yesterday complained bitterly that he cannot get fishery items dealt with here; they are usually, left till the end of the day on Friday when there is nobody here to vote or take an interest in this subject.

So I think it is important that we should not have a doctrinaire approach and say 'no more committees' no matter what. I think we should look at some of the committees we have and we have got to ask the groups why their members are not attending these committees. We should not set bounds to the work that this Parliament has to do.

President. — The joint debate is closed. The motions for resolutions will be put to the vote at the next voting time.

3. *Seat of the institutions*

President. — The next item is the report (Doc. 1-828/81) by Mr Zagari on the seat of the institutions of the European Community and in particular of the European Parliament.

I call the rapporteur.

Mr Zagari, rapporteur. — (IT) Mr President, ladies and gentlemen, I hope that this brief report which the enlarged Bureau asked me to draw up will not further disturb waters already troubled by the previous debate which has some bearing on the subject now being examined.

The issue of the seat of the European Parliament is for us a vital problem which concerns all Members directly and affects the whole of our work. This just to situate the context in which my report is set. Conspicuous by its absence in my report is — I repeat — a decision on a permanent seat for the European Parliament, an institution which is now 30 years old. It is up to the governments of the Member States to take this decision pursuant to Article 77 of the Treaty establishing the ECSC, Article 216 of the Treaty establishing the EEC and Article 189 of the Treaty establishing the EAEC.

Unfortunately, this institutional obligation has remained a dead letter throughout these 30 years and, unfortunately, of all the institutions, the one which is hardest hit, ladies and gentlemen, is the European Parliament, i.e. the institution which was intended to be the driving force in the creation of European unity and which today is still without the essential requirement for carrying out its work satisfactorily, i.e. a single seat.

What has been done politically, legally and economically to cater for this requirement which has been stressed by all sides of this Parliament?

We have always endeavoured to be level-headed and we have always shouldered our responsibilities in situations in which other institutions have failed to do so. I believe that our cautious responsible attitude could serve as the basis for finding solutions to the thorny problems with which we are faced.

The enlarged Bureau has had the opportunity of talking with the Ministers of the European Council and, for the first time, it has been possible to have with them a meeting during which statements were made which are important from the political point of view, but also as regards the nature of our Parliament and our main problems. This move was obviously welcomed by both sides, because the fact that the foreign ministers agreed to come and meet us is

undoubtedly a political fact which should not be underestimated.

Nevertheless, certain questions of fundamental importance to us remain unanswered. Similarly, there has been no follow-up to Mr Glinne's report on the status of members of the European Parliament or, at least to a certain extent, to my own report on working conditions — and this should once again be stressed in this forum — in our Parliament.

We have endeavoured to convey to the foreign ministers, some of whom have in the past been Members of this House, the new situation in this Parliament which now has over 430 Members, which means that it has virtually doubled in relation to the former indirectly-elected Parliament. We have endeavoured to duly stress the difference between ours and an indirectly-elected Parliament in which every Member is, in actual fact, directly elected at the national level and, by way of consequence, at the European level. A Parliament like ours, in which the number of Members holding a dual mandate falls every day, inevitably ends up by resembling a directly-elected Parliament, nearly all of whose Members therefore find themselves in a completely different situation from that of the Members of the former indirectly-elected Parliament.

This, in my view, is a fundamental point and one which inevitably leads us to urge that the issue of the European Parliament's place of work be resolved once and for all. Solving this problem of the place of work means making it possible for Members to meet, to have a place of work which is entirely theirs, to stop being 'homeless' and, to have a single European seat, something I feel to be fundamentally important and a fact to which too little consideration and appreciation has been given.

This has been our stance, but the situation has to some extent been aggravated by the action brought before the Court of Justice by the Luxembourg Government seeking annulment of Parliament's Resolution, which was in no way contrary to the spirit or the letter of the Treaties.

However, every cloud has its silver lining, for this step has undoubtedly helped us to bring a fundamental issue to the limelight and could, to some extent, help us to define the relations between the different Community institutions. Be that as it may, it is a step for which we consider there is no justification whatever.

How anyone can maintain that the European Parliament is against any Member State and in what way it is supposed to be working — as has been stated in certain newspapers — against the interests of 'someone', particularly those who are apparently in no position to retaliate, is simply beyond us. All we are concerned with is obtaining better conditions of work, taking due consideration of all the facts we possess,

Zagari

and of the pressure from all sides of this House for an effective place of work for Members to meet. All this presupposes solving the enormous problem of the dispersal of our places of work.

Nothing could obviously have been further from our minds than to cause a breach of the Treaties. We sought only to obtain conditions in which we could work better than we have been doing up to now. Now that we have passed the half-way mark and spent two and a half years in a tiring and difficult situation which often makes a mockery of our work, we have come to the conclusion that this problem must be solved somehow or other in the two and a half years ahead.

This is why we have decided to tackle the problem in all its aspects, starting with the political aspect which is, in my opinion, fundamental. In our motion for a resolution we have laid particular emphasis, among the flood of previous motions, on the one in which the chairmen of the various groups unanimously drew attention to the issue and introduced the concept of conciliation.

(The President urged the speaker to conclude)

Mr President, we have adopted a political attitude and endeavoured to pave the way for a concerted approach which we feel to be absolutely necessary by sounding out the governments concerned in order to create an understanding of the meaning and the gravity of this issue, by inviting all opinions necessary to illustrate our situation clearly, by making as much progress as could be made in the meantime — and Mr Dankert has made a valuable contribution in this context — and by examining how, from the technical and administrative points of view, the functioning of this Parliament can be improved under the present circumstances.

These are the ideas I wanted to illustrate. As stated in the motion for a resolution, we request a brief postponement so that the issues involved can be examined in greater depth and so that, in next June's plenary session, we can put before this Parliament a complete report reflecting the views of all the bodies of this House.

What we want is for the European Parliament to come into its own and not merely plod along.

(Applause)

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

Mr Janssen van Raay. — *(NL)* Mr President, ladies and gentlemen, I will confine myself to commenting on Amendment No 5 submitted by my Group. One of the Member States, Luxembourg, has challenged the

validity of Parliament's Resolution in a submission to the Court of Justice in Luxembourg. This means that the matter is now *sub judice*, and that the decision of the Court of Justice may put the issue in a new light. Therefore, out of concern for the separation of powers, we consider that the time is not ripe for a discussion of the seat or, more precisely, the place of work itself. I would strongly recommend my colleagues to adopt Amendment No 5 by the Christian-Democratic Group out of consideration for our own legal powers and to wait for the ruling of the Court of Justice concerning our own resolution.

President. — I call the European Democratic Group.

Mr Fergusson. — Mr President, it is becoming more and more difficult, I must say, to discuss the subject of our working-place with any kind of patience, or free from the imputation of ulterior motives or even political cowardice to too many people. However, I would like to deal with two aspects of this sorry affair, arising from the Parliament's decisions of last summer: the process of conciliation with the member governments with a view to a final settlement of a single seat, and the matter of the tendering invitations to find ways of improving our conditions of work in the meantime.

Three months ago, I wrote to our own parliamentary Bureau asking how consultations with Member States were coming along. All I got back was an assurance that the Bureau was looking into this matter, but there is no evidence of any progress there whatever. I then turned my thoughts to the other end of the process — the European Council — but I found that we have no method whatever, not just of pressing them to reconsider the Maastricht decision to maintain the *status quo*, but of approaching them at all. So I put a question to the Council of Ministers, which I have here.

I asked them:

Would the Council agree to act as interlocutors between the European Parliament and the Member States to resolve the question of a definitive seat of the Institutions, and would they initiate the conciliation procedure called for in the Zagari report?

The reply:

The Council considers it to be no part of its function to act as intermediary between the governments of the Member States and the European Parliament.

So we are simply stymied. It is for that reason that we have tabled an amendment to the Antoniazzi report which is coming before us, on relations between the Parliament and the European Council. We suggest that we should be able to question the European Council through the Council of Ministers. Otherwise, we shall continue to be, in this matter and others, completely frustrated.

Fergusson

Now to the tenders. Last month, I asked if we could be provided with the terms of reference that had been given to the firms who were interested in this matter. These terms are written there at the back, as you see, of the Zagari document before us. They are, I think both inadequate and irrelevant. For one thing, they presuppose that Luxembourg is to continue to be one of the sites, the working-places, of the Parliament. Yes, I know a legal action is pending; but what sort of realism is this? Luxembourg is no longer a working-place in practice. Has someone decided — because it certainly was not the Parliament — that our services are to continue to operate from Luxembourg? If the Parliament has done one thing, it has reduced its working-places to two. Now the tendering instructions either presuppose that a legal decision favourable to Luxembourg would result in our moving back there and thus that we would, as a sovereign parliament, accept such retrogression — or at least that the services must stay there. And, of course, nothing has been said about the position of the poor old staff.

Either way, it is clear that once more efficiency has been sacrificed to political expedience, and the future of the Parliament itself is ignored. Nothing is said in the tender invitations about the possibility of expanding our plenary work or of finding out how we can do so in a building that is not entirely ours, because it is occupied much of the time by the Council of Europe.

Therefore, I am afraid, Mr President, that we have once again embarked on an exercise in total futility. I must repeat our round condemnation of the Council for its jointly-executed dithering and ineptitude over this particular matter. Of course we must, as a group, support the third paragraph in this particular resolution, though we do so with little optimism, hoping it deals with the question of conciliation.

Finally, let me give notice of our intention to return to this subject early next year as soon as our own parliamentary Bureau has been reconstructed.

President. — The debate is closed. The vote will be held at the next voting time.

4. *Exceptional food aid for the least developed countries*

President. — The next item is the second report (Doc. 1-817/81), drawn up by Mr Cohen on behalf of the Committee on Development and Cooperation, on the

proposal from the Commission to the Council (Doc. 1-676/81) for a regulation concerning exceptional food aid for the least developed countries.

I call the rapporteur.

Mr Cohen, rapporteur. — (NL) Mr President, I shall only comment briefly on this report. We have already discussed it during our last part-session, and there are no problems as regards the content. My impression is that not only my own Group but also the others fully agree with the proposal of the Commission and the Council to earmark 40 million units of account for food aid to the least-developed countries in the supplementary budget for 1981. Although the vote has not yet been taken, I hardly imagine there will be any controversy on this issue. The only point that is still open — and this is why the report again figures on the agenda — is the more legal and institutional question as to how the 40 million units of account were entered in budget and — to put it mildly — the pressure which the Council exercised to get the Commission to submit a proposal for a regulation, and to discuss whether this procedure was a correct one.

On this issue Parliament disagreed with the other two Community institutions. It was for this reason that I asked you not to vote on my proposal the last time but to discuss it again at this part-session. After the Commission had given me to understand that, basically, it shared Parliament's opinion on the procedure, I asked the Commission if it might be willing to withdraw its proposal for a regulation. The answer was a clear no. As a result of that discussion I decided to modify my report somewhat. Whereas initially I had proposed that Parliament should adopt a resolution expressly requesting the Commission to withdraw its proposal for a regulation, it is now clear from the Commission's answer that it is not ready to do so. Thus I have made a number of changes to my motion and now refer to the answers which I received from the Commission the last time. The motion, which of course approves of entering the 40 million in the budget, now calls upon the responsible committees — i.e. the Legal Affairs Committee and the Committee on Budgets — to present a report on the procedure followed within three months. After the three months are up we can see what we will do as regards the Council and the Commission. I hope that Parliament will adopt my motion at 3 p.m. today.

President. — I call the European Democratic Group.

Mr Turner. — Mr President, I agree with Mr Cohen's tactics in this matter and I look forward to the Legal Affairs Committee going into the question of whether we need a regulation or not, but we shouldn't wait for that.

May I say, on behalf of my group, that we welcome very much the setting up of the emergency food reserve of 100 000 tonnes of cereal. It is most important also to have effective decentralized buffer stocks where they are needed throughout the world.

Turner

And, secondly, we welcome another 9% increase in cereal aid over and above the 30% increase we have already had earlier this year.

The European Parliament has certainly responded extremely well to the widespread movements amongst the voters of Europe warning us of need for increased food aid.

The European Parliament — the first elected Parliament of Europe — I think, is acting in a most democratic way in responding to these warnings. In my own constituency of Suffolk and Harwich 7 000 people signed a petition to this Parliament for more food aid and they happen to live in an area which produces cereals, vegetable oil and sugar — the three most important commodities for food aid in a starving world.

Moreover, the European Parliament is also, I think, unique in that it is the meeting place for European representatives and those of the Third World in the framework of the Lomé Convention. Our Joint Committee is a unique forum. When we meet with the representatives of the Third World twice a year we are able to give a quick response to the needs of the Third World, which we hear at our meetings. Our next meeting is in February in Africa.

The present plan of course helps to reduce the immediate number of deaths that will occur next year from starvation. And that is vital. Although it is only doing a little in this direction it is something — it is a first step. However we need much more long-term planning too. 1981 is the first year that we have made multiannual commitments for food aid to the Third World, which are absolutely vital because the world food shortage is not a temporary problem — it is, I believe, going to become the greatest problem in the world over the next generation. It is going to outweigh all the political factors which threaten peace. And I think that our electors are aware of this. Apart from their feeling of horror at the deaths from starvation, they are aware that a threat to the future of our civilization is developing because of starvation in the Third World.

May I end by saying that the European Parliament is behaving in a very effective and proper democratic manner in constantly struggling with the Council of Ministers over the budget. We are doing it again this year; we are doing it on food aid; we are demanding more than the governments are prepared to give. And I think in so demanding we are representing properly the views of our electors.

President. — I call the Liberal and Democratic Group.

Mr Maher. — Mr President, I want to compliment Mr Cohen on his work in the report. I think it is one of the more important ways that we can demonstrate to

the people of the world that we have a human face in this Community, that we have a human conscience and that we do not blithely ignore the suffering of the poorest of the poor and the hungriest of the hungry. Because that is what we are dealing with in this particular case. We are dealing with peoples in parts of the world where hunger is endemic, usually because of natural disasters which, although they are a regular occurrence, cannot be accurately forecast.

Of course, Mr President, if we are to take account — full account — of these problems and if we are to meet to a reasonable extent, in terms of food aid, the needs of these unfortunate people, then I think it is exceedingly important that we adopt the right approach in relation to food production here inside our member countries.

I think it is of the greatest importance that we plan to have food available at all times in the Community and that is where I am constantly surprised and indeed sometimes appalled at the Jekyll and Hyde attitude that we take, even in this Parliament, towards the agricultural policy.

On the one hand we say that we have to reduce the resources going into agriculture, reduce production and reach a better balance between supply and demand. There are even people who say that unless we can reform this agricultural policy and get rid of the surpluses, the Community will die. There is even someone behind me here who said that the agricultural policy was the terminal cancer of the European Community.

Then on the other hand there are people, who stand up and say that we have got to help the hungry people of the world. But how do you help them if you don't have some surplus to help them with? This is what I mean by a Jekyll and Hyde attitude.

I think we have got to be consistent about this; we have got to plan to have extra production over and above that which we need ourselves. And of course we have got to try and ensure, insofar as the climatic conditions and production patterns will allow, that we produce the kind of food that is reasonably suitable for peoples in these parts of the world, because we cannot send them food that they are entirely unused to consuming and may cause digestive and other problems.

But in that context, Mr President, may I also raise another point that has been emphasized, and rightly so, and that is that cereals are one of the more important and more suitable foods to be used in this regard. And yet strangely enough, in the mandate of 30 May, that was the one kind of production that the Commission said that we had to reduce in price.

In order in other words to reduce production, yet at the same time saying that we have to have cereals in

Maher

order to meet the demands of the Third World. Jekyll and Hyde, once again. Is it not vital and urgent that we put in place not only an agricultural policy but a food policy — in other words a policy which will take account of the needs not only of the people in the Community but also of people in the Third World who badly need this food? We need an agricultural policy, but we also need a food policy.

Mr President, could I also say that I think it is of the utmost importance that we try to ensure, insofar as the politics of the situation will allow, that the food gets to the people who need it most? Indeed, we have observed in the past, very frequently in fact, that even though we send the food to the right country it doesn't get to the right people. It falls into the hands of ruthless people who want to make money out of it, who manipulate it or it gets to people who don't need it so badly, being sold in the market place. And in that particular context it very often competes with the limited food production inside the recipient country and thus tends to depress the efforts of people inside those countries who are trying to make those countries more self-sufficient.

I would appeal to the Commission to do what it can to ensure that there is adequate monitoring of the distribution of the food inside the recipient countries. And also, if I might say, for God's sake, let us try to cut the red tape as much as possible in terms of the time taken first of all to reach a decision about sending the food and then to actually get the food to the people who need it. Very often there's a six-month delay between the time the decision is taken and the time the food actually gets to the recipient country. A lot of people can die in six months. I therefore think it is exceedingly important that the time is reduced to a minimum. I would like to see, if possible, a special task force set up to work on this matter full time and which had a mandate to tackle the job right away; to cut out all the various formalities that we seem to have to go through and which are of little good to the unfortunate people who are so desperately looking for food from day to day.

I think also that the question of dairy products should not be entirely disregarded. I know that there are problems in some of these countries in the matter of milk production but after all we all start life dependent on milk regardless of what country we live in, either in the form of our mothers' milk or in the form of some substitute. I think that milk can be useful in some of these programmes and I would not like it to be entirely disregarded.

One other stunning fact we cannot ignore is that all the indications are that there will be more than 6 000 million people on this planet in the early decades of the new century. This, I think, should be a salutary warning to all of us to make the best possible use of the agricultural resources that we have inside a Community where, thanks be to God, nature is on our

side and where we don't run into these extreme natural disasters that affect so many of the regions of the world, and where we know that we can plan for a certain production.

President. — I call the Council.

Mr Hurd, President-in-Office of the Council. — Mr President, I would like to intervene very briefly in this important debate and congratulate Mr Cohen on the way in which he has presented the report. It is not for me to enter into the procedural points which he raised, although I understand their importance.

I would just like to say on behalf of the Presidency how very glad we were at the decision taken at the 3 November Development Council for the extra food aid for the least developed countries as part of the plan of action against world hunger and I would like to congratulate the Commission, and Mr Pisani in particular, on the speed with which the Commission brought forward proposals for such a plan, following the valued initiative of the Italian Government at the September Council on Foreign Affairs. I think this episode does show that the three institutions can act with speed when speed is evidently required.

Of course, the plan which has been put forward goes further than just the increase in food aid and it includes important longer-term elements to put the Community's effort on a sounder basis. I am sure that Mr Maher, whose speech I have just listened to with admiration, would recognize in his enthusiasm for food aid that food aid would only be part of the Community's effort because no one now claims that food aid is in itself a complete or effective answer to the problems of world hunger. So there would need to be several elements in our effort. But that is not to undervalue the importance of the speedy response which we have given to the need for immediate extra food aid.

I would like finally to say that the Presidency recognizes the important role which the Parliament has played in making the Community more aware of this problem. As Mr Turner said in his speech, it does correspond to the feelings of those who elect us, whether we serve in national parliaments or in this Assembly. There is no doubt that there has been an outpouring of public feeling on this general subject of hunger and it should be a matter of satisfaction, I think, to all of us that in this limited but important way, the institutions of our Community have been able to respond to that pressure.

President. — I call the Commission.

Mr Pisani, Member of the Commission. — (FR) I should like to make three points, Mr President.

Pisani

Firstly, I am pleased that Parliament is adopting the course of action suggested by Mr Cohen, namely to see the matter through to its conclusion and to raise the problem of legal definitions, so that in the future debates of this kind will no longer take place.

Secondly, I should like to stress the importance of the differences between our position on aid to the Third World and the definition of our internal agricultural policy. The Third World and the aid we wish to provide are bound in the long run to force us to define a new common agricultural policy. And I think this is positive. We cannot continue to manage two of the Community's fundamental actions in conflicting ways.

With regard to food aid, I gave, on behalf of the Commission, an undertaking to the Committee on Development and Cooperation that at the end of the first half of 1982 we would produce a full report on food aid, both on the way it is managed, with all the uncertainties that involves, and — mainly — on the effects it may have on the national economies of the recipient countries and on the new forms it might take to become 'self-destroying', since the aim of food aid is to enable the recipient countries gradually to become self-sufficient. This raises far more problems than meet the eye, particularly problems of procedure. On behalf of the Commission I have undertaken to present a document on the whole of this matter, based on a double survey which is currently being conducted.

President. — The debate is closed. The vote will be held at the next voting time.¹

5. ACP-EEC work in 1981

President. — The next item is the report (Doc. 1-824/81), drawn up by Mr Clément on behalf of the Committee on Development and Cooperation, on the outcome of the proceedings of the ACP-EEC Joint Committee and Consultative Assembly in 1981.

I call the rapporteur.

Mr Clément, rapporteur. — (FR) Mr President, since the first Yaoundé Convention all conventions concluded between the European Community and the associated countries have provided for institutions involving the participation of the Members of this Parliament.

However, until 1980 the European Parliament as such was not regularly informed of the outcome of these

institutions' meetings. It was not until last year, on the occasion of the report by our colleague Mr Sablé, that the wish was expressed that Parliament should be regularly informed of the wishes expressed by the ACP-EEC Joint Committee and Consultative Assembly. This exchange of information is important if one considers that in the past it has happened that the European Parliament has adopted resolutions which are totally different from the decisions taken by the Consultative Assembly and Joint Committee. It is obvious that the differences were embarrassing for the European members of these bodies and that this led the ACP members to doubt the sincerity of the commitment made by their European partners.

During 1981 the Joint Committee met twice, once at Freetown in February and once in Strasbourg in September. The Consultative Assembly met as usual in Luxembourg in September. During these meetings a number of reports and resolutions were adopted, among them a general report on the operation of the Lomé Convention and resolutions on cultural cooperation between the ACP states and the Community, on hunger in the world, on the situation in southern Africa and, lastly, on the amendments to be made to the Consultative Assembly's Rules of Procedure.

I should like to draw Parliament's attention to some of the basic ideas behind these resolutions and to pay tribute particularly to the report by Mr Insannally, the Ambassador of Guyana, who drew up a remarkable study on the Fifth Annual Report of the ACP-EEC Council of Ministers and an analysis of the initial results of the second Lomé Convention. The scope of this report is enormous, and in many respects it is highly critical: while endorsing the principles on which the Convention is based, it nevertheless draws attention to the fact that its application leaves a great deal to be desired.

The Joint Committee and the Consultative Assembly, on the basis of the resolution by Mr Insannally, have expressed their deep concern over the financial resources made available to Stabex and Sysmin, and over the problem of sugar.

I should like to go over these two points.

As regards Stabex, the Members of Parliament will easily appreciate that the ACP states are worried about the fact that the resources available for Stabex in 1980, including the maximum advance of 20% in the 1981 amount, have reached 138 million EUA, while the requests for transfer amount to 260 million EUA, which means that the resources available are exceeded by 123 million EUA.

In order to deal with this considerable deficit of almost 50%, the ACP-EEC Council has had to authorize transfer reductions. Such reductions constitute serious losses of revenue for the ACP states concerned, and if such deficits were to occur again, the effectiveness of

¹ *Speaking time: see minutes.*

Clément

Stabex, though considered one of the most useful and significant innovations under the Lomé Convention, would be jeopardized. The Commission considers that this deficit will in all probability not occur again in future years. I should like, however, to draw Parliament's attention to this problem, which seems to me most pertinent to our relations with the ACP states.

The second important problem which was a main item of discussion at the meetings of the Joint Committee and the Consultative Assembly is that of sugar and, in particular, the problem facing producers of cane sugar. I should like to point out on this that Community cane sugar producers — I refer to those of the French overseas departments — are also victims of the preferential treatment given to sugar beet production, and it is this difference in treatment which the ACP countries consider to be discriminatory.

The quantity of beet sugar produced in the Community keeps on increasing. In 1975, when the Sugar Protocol annexed to the first Lomé Convention was drawn up, the Community was a net importer of sugar. Today the Community produces more than 12 million tonnes of sugar and has become a sugar exporter. Nevertheless the Sugar Protocol guarantees that the Community will import 1.3 million tonnes of sugar per year from the ACP states. Under this Protocol the guaranteed price must be fixed annually after negotiations. The actual negotiations have not, in fact, taken place since the Council gives the Commission a mandate which includes a fixed price. For the 1980/1981 marketing year the guaranteed price of refined sugar was increased in the Community by 8.5%, while the guaranteed price for unrefined sugar only went up by 7.5% against the previous marketing year. Since 90% of ACP sugar exports to the Community consist of unrefined sugar, the ACP states see this as proof that they are being discriminated against. Admittedly, there is nothing wrong with the Community wanting to apply Community preference to its own products — this is the very basis of the Common Agricultural Policy, and admittedly, it seems normal that once of the Member States should want to assist one of its threatened industries — in point of fact the United Kingdom, which, in order to support its sugar refiners, considers that it must keep a margin of one point between the price of unrefined sugar and that of refined sugar, for the specific purpose of financing refining operations, but I should just like to make three points on this subject.

Firstly, I think it would be a good idea if the Member States, which are staunch supporters of Community preference, were to respect this principle at all times. Secondly, Community preference implies that sugar from the French overseas departments should be treated like sugar from any European region, i.e. it should be bought at the same price as beet sugar. Thirdly, since at the time of the Lomé Convention the Community signed a preferential agreement with the ACP states, it must respect the spirit of that agree-

ment, which is a spirit of parity, i.e. equality between the two parties. The problem of fixing the price to be paid to the ACP countries for their sugar will have to be settled on the basis of this principle, and this is most likely to happen at a forthcoming extraordinary meeting of the ACP-EEC Council of Ministers.

I now come to a third point which was discussed in the Joint Committee and the Consultative Assembly. The ACP states were both worried and disappointed by the consultations prior to Greece's accession to the Community. While this might only have been a relatively minor problem for the ACP countries, the accession of Spain and Portugal will cause far greater difficulties, since these two countries are large producers of Mediterranean and subtropical agricultural products which may compete with those of the ACP producer countries. So it is important that there should be genuine consultations with the ACP countries far enough in advance of the accession of Spain and Portugal, so that appropriate adjustment and transitional measures may be taken on a basis of mutual agreement.

In the short time available to me, I can hardly do more than refer briefly to the many other points raised during these meetings, and for further details I would ask you to refer to the explanatory statement in my report. I must, however, say a brief word on some of the other resolutions adopted by the Consultative Assembly, namely the resolution on cultural cooperation and that on South Africa.

In a particularly original and innovative report on cultural cooperation, the Ambassador of Mauritius, Mr Chasle, pointed out that in the past this topic had never really been the subject of cooperation between the Community and the ACP countries. The Consultative Assembly expressed the hope that its resolution would encourage the Community to pay more attention to the social and cultural repercussions of the development projects financed by the EDF. There was a special wish expressed that development models suited to the special nature and cultures of the ACP countries should be used and no longer simply copied from models corresponding to the situation of the industrialized societies. Lastly, the Consultative Assembly was also broadly in favour of multilateral cultural cooperation enabling the ACP countries as a whole to receive Community aid in this sector.

Lastly, the Joint Committee and the Consultative Assembly adopted resolutions condemning South Africa. These resolutions support the right of the Namibian people to self-determination in accordance with the United Nations Charter and call for the full application of United Nations Resolution 435. I should point out in this connection the Consultative Assembly's decision to send a fact-finding mission to the frontline states to draw up a report for the next meeting of the Joint Committee.

Clément

In conclusion, Mr President, ladies and gentlemen, the Committee on Development and Cooperation considered it desirable that all the Parliament committees concerned should take account in their work of the resolutions adopted by the ACP-EEC Consultative Assembly. To this end, I have tabled on behalf of our committee a motion for a resolution which, if adopted, will provide a source of reference in this area for the committees concerned. In fact, unless in future Parliament and the ACP-EEC institutions adopt positions which, if not common, are at least coordinated, the very reputation of all these institutions will be likely to suffer. If this were to happen, it would call into question the organization of a North-South dialogue which was originally inspired by the European Community with the Lomé agreements.

(Applause)

President. — I call the Socialist Group.

Mr Fuchs. — (FR) Mr President, despite the fact that Mr Clément's report is not as bulky as some other documents which we sometimes discuss in this House, I and my colleagues in the Socialist Group nevertheless consider that it is of vital importance. When we analyse the 1980/81 operation of the Lomé Convention, under which 61 African, Caribbean and Pacific States are now associated with the ten Member States of our Community, we are actually taking stock of the relations between more than half of the countries in the world.

I should therefore like to begin by reiterating the wish already expressed before Parliament, namely that the examination of a report of this kind should no longer be the result simply of our enlarged Bureau acceding to a request by the Committee on Development, but that it should become an annual and automatic event in the proceedings of this House.

I should like also, with regard to the report before us, to draw attention to the atmosphere in which the two meetings of the Joint Committee and the Consultative Assembly were held — an atmosphere which I consider particularly important this year and which struck all those who attended the meetings. I believe it illustrates the institutional originality which these meetings constitute, since they are not meetings of ambassadors or professional diplomats but meetings of members of parliament and elected or appointed political delegates, who therefore have a general tendency to speak their mind very directly and openly.

I think that our debate this year was particularly direct and open, with the representatives of the ACP states making a number of friendly yet often strongly-worded criticisms of our Community. I should like to devote most of my speech to a detailed examination of

the two problems to which the strongly worded criticisms mostly referred; the functioning of Stabex and the problem of fixing the sugar price.

With regard to Stabex, Mr Clément has just outlined the facts, which are well known. Requests for transfer by the ACP states: 261 million ECU; transfer granted: 138 million ECU; consequently an average reduction of 47%. Some have described this as a fortuitous and regrettable situation. Personally, I should like to express the double opinion that it is not fortuitous and that regrets are not enough. Of course I do not intend to deny the effects of unexpected climatic conditions nor the collapse of certain world prices, and I am perfectly prepared to recognize that the letter of the Lomé Convention has been respected in this matter, but I should like to deal not with these facts but with others which strike me as being deeper and more significant.

The first of these facts is that, since the Stabex mechanism only corrects market variations *a posteriori*, it is by its very nature extremely vulnerable to such variations, and this vulnerability will continue to exist until enough agreements per product have been signed. I believe, Mr President, that this is a very powerful incentive for both the Community and the ACP states to sign such agreements, as well as an agreement on the setting up of the Joint Raw Materials Fund.

The second fact poses a question we must all answer. It is based on the realization that ten or twenty years after most of the ACP states became politically independent, over 50% of the exports of many of these countries still depends on one or two of the products which were initially grown under colonial rule: cotton, coffee, cocoa and groundnuts. Has not Stabex sometimes had the effect of encouraging these crops to the detriment of food crops and consequently of feeding the local population? Has not Stabex also contributed, by its very existence, to bringing about some of the imbalances which now exist? I think it is essential to study these questions and repeat the request to the Commission to do so.

The third fact is not a question but a statement. These very fluctuations in world prices, of which the Community has only been able to offset half the effects on the ACP states, have at the same time enabled us to save almost a million ECU via the EAGGF budget. This is proved by the supplementary and amending budgets for 1981.

Ladies and gentlemen, have you noticed that, while reducing the Stabex transfer requests by the ACP states by 123 million EUA, the Community reimbursed sums many times higher to the Member States as a result of reductions in the VAT rate? Is that what you call solidarity?

Fuchs

With regard to fixing the price of sugar, I have neither the intention nor the desire to go over the complicated background to what is now, it must be said, an open crisis between the Community and the ACP states.

If I may, however, I should like to point out that on 21 May, when the so-called negotiations on the fixing of the sugar price were opened, the Community proposed an increase of 7.5%, while the ACP states, for their part, felt that an increase of 13.5% was justified. On 14 December, that is to say last Monday, when the ACP states clearly stated their willingness to accept an increase of only 8.5%, the Community did not budge an inch from its position.

Therefore, ladies and gentlemen, I should like to make three rather brutal statements before the House.

It is inadmissible that, as a result of the difficulties experienced in negotiating our own internal agricultural prices, the negotiating mandate given to the Commission for its discussions with the ACP states should be totally inflexible and lead to the difficulties we have experienced this year. It is inadmissible that the desire of a single firm — and I am referring to the Tate and Lyle refinery — to make a profit, a desire taken up by the governments of a single Member State, should be enough to block the position of the Community negotiations for months on end. Lastly, it is inadmissible that, after we saw to it that the Sugar Protocol operated correctly when — as happened in 1975 — sugar imports were indispensable for the Community, this same Protocol should now be called into question by certain people who refer to the ACP sugar surplus, because our internal prices policy has led to overproduction of sugar beet.

Admittedly there are problems of long-term costs between sugar cane and sugar beet. That is true. But let us discuss them together with a view to finding long-term solutions. On the eve of what will doubtless be an extraordinary meeting of the ACP-EEC Council, called in order finally to reach agreement, I urge Parliament to ask the other Community institutions to accept the 8.5% compromise proposed and accepted by the ACP states. What is at stake today is the entire credibility of the Lomé Convention, and believe me, ladies and gentlemen, it is only fair that it should be so.

In addressing you today I may well have used language to which some of you are not accustomed. I have done so in reply to the concern which was forcefully expressed by the ACP states in the Joint Committee and Consultative Assembly, a concern which I fully share. For too long there has been a considerable discrepancy between what Members of the European Parliament say to the ACP states and what they say and do in Strasbourg. It is essential that in future there should be no such discrepancies and that our Parliament should fully take upon itself the decisions for which its representatives on the Joint

Committee and the Consultative Assembly have voted on its behalf.

I shall finish, Mr President, by stating that today the judgement passed on our Community by the countries of the Third World depends as much on the answers it finds to the specific problems I have outlined as on its general statements on the North-South dialogue and the overall negotiations. We claim that our intention is to establish with these countries relations which are based on cooperation and not on a desire to make them conform to our interests. Here, ladies and gentlemen, we have a perfect chance to prove it.

(Applause)

IN THE CHAIR: MR DE FERRANTI

Vice-President

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

Mr Bersani. — *(IT)* Mr President, ladies and gentlemen, today's debate is of great significance to this Parliament as a whole. I join my fellow Members in hoping that the tradition of this annual debate, re-established by Mrs Katharina Focke's report, will be continued. It is essential, from the committees' point of view as well, to have this possibility of casting a critical look at all our relations with countries signatory to the Lomé Convention and, by way of consequence, with Third World countries in general.

In the few minutes' speaking time allowed to me, I should like to dwell a little on what has taken place in Strasbourg and in Luxembourg and constitutes the specific topic of our debate today. Our work has all in all been carried out in a positive climate with a manifest resolve to reach agreement and make progress. This has been helped by developments in the situation of our Parliamentary institutions: the majority of our ACP colleagues today comprises parliamentarians and politicians, and this helps to give our discussions more relevance from the political point of view. I would also like to stress that splitting our meeting into two phases and two places was a judicious move because, in the circumstances it enabled each of the two institutions to illustrate more effectively its own specific features in relation to its own sphere of competence.

The Lomé policy and its repercussions on North-South problems in general, is one of the three fundamental policies of the Community. With the membership of 62 ACP countries, it now covers half the countries of the world. Politically speaking, our responsibilities are therefore quite exceptional and the European

Bersani

Parliament and its committees must be increasingly aware of this fact, considering the constructive and often creative contribution we have made to the development of this policy on the four occasions it has been renewed.

What we now have to do is, on the one hand, to streamline the institutes and improve the content of the Convention, particularly as regards specific problems and challenges — these were particularly well illustrated in his excellent report by Mr Clément whom I would like to congratulate sincerely — and, on the other, to examine how we can continue to innovate and enrich the Convention, particularly as regards new problems and our approach to them, particularly bearing in mind the rôle the Convention is destined to fill increasingly as regards the 'overall' problems of cooperation on a world-wide scale.

Although the results achieved are in the main positive, many are aware of the problems which are the source of great concern to us as well as to our ACP colleagues; these problems are amply illustrated in the Insanally Report. The development of trade cooperation, one of the cornerstones of the Convention, is disappointing. Another alarming aspect is the Stabex issue, which is structurally symbolic of our new approaches as regards development. I disagree with certain opinions expressed, and even confirmed by the Commission, on the subject of the purely cyclical crisis of the Stabex. It will not, in my opinion, suffice to boost its current insufficient resources, in view of its links with the system of world agreements on basic commodities. As regards the Sysmin, as we are still going through an experimental phase and do not therefore have sufficient accurate information, it is perhaps premature to express a final opinion, even if, partly because of the research problems involved, the appropriations needed are likely to remain at a level which is far from sufficient.

Mentioning the Stabex issue prompts me to make some comments relating its strengthening to a more systematic approach to initiatives in agriculture, which is by far the most important sector as regards the fight against famine in the areas in which the vast majority of the ACP populations live.

Except in the case of iron, the Stabex today covers only agricultural products and could increasingly effectively prove an invaluable instrument in agricultural countries. If this were to be linked up to an agricultural centre engaged in promotion and research and pursuing a more effective policy of trade expansion, the result could be a set of instruments designed to promote autonomous production capacity in the ACP countries.

From this point of view I think we should examine these instruments together in the context of a coordinated and systematic logic. In this context, there is an obvious possibility of a link with reforms and

adjustments to the common agricultural policy. This will be helped by the continuous improvement of relationships with trade and social partners, to whom the Joint Committee continues to attach the greatest importance.

As my speaking time is passing by quickly, I should like to sum up by saying that I agree with the proposals made by fellow members on the sugar issue. I, too, hope that a compromise may be reached which, in today's situation, has a political significance over and above its technical content. I should like to ask Commissioner Pisani whether, in this fresh attempt to improve the Convention (which, despite its obvious limitations remains an instrument of exceptionally high quality) whether, in addition to the measures we have called for on cultural cooperation — and approved on the basis of the excellent proposals put forward by Ambassador Chasle — and regional cooperation, it might not be worth studying the problem of making better use of human resources. President Julius Nyerere in his book called 'Men and Development' and Albert Tervojedre's book 'La pauvreté, richesse des peuples' both underlined recently the essential value, often — they maintain — insufficiently appraised, this factor has in the complex context of development problems. It is a subject which highlights yet again the invaluable rôle of non-government organizations.

Mr President, I should like to conclude by stressing the meaning of the Joint Committee's decision to hold its next meeting in Zimbabwe. There a people has fought courageously and with great tenacity in order to achieve its independence in the context of a democratic and multi-racial society capable of setting an example as regards overall developments in southern Africa. We are wholeheartedly behind its conquest and its symbolic meaning against any permanent discrimination on racial bases and are firmly in favour of a total and concrete process of liberation throughout Africa based on full recognition of the rights of men and peoples.

(Applause from certain quarters)

President. — I call the European Democratic Group.

Mr Christopher Jackson. — Mr President, I am, like my colleagues, very pleased that the proceedings of the ACP Assembly are being discussed here, because it is vital that this Parliament and the Assembly work together if the Lomé model is to succeed.

Lomé, of course, is unique, because it puts the North-South Dialogue into practice in an equal partnership of nations in the South and the North who can thus work together for their mutual benefit. In this Lomé Convention, the ACP-EEC Assembly is the only forum of its sort in the world. It has the merit of being

Jackson

not only a forum between our two sides but also very lively and very frank when it discusses issues that are of considerable concern to both sides — energy, hunger, trade, industry, sugar — indeed in a manner that is less constrained by national interests than, perhaps, is the case with the Lomé Council of Ministers.

Lomé has in some areas worked very well, but in others there is no doubt that it needs strengthening, and I would mention here, as I did in the Lomé Assembly, the need to strengthen Lomé activities in terms of industrial cooperation and private investment.

We have referred to the two fears — the fear of the less-developed countries that private investment from Europe will exploit them, and equally the fear of the investors that they may be expropriated. I believe that the Community can help in this, and I would indeed like the Community to conclude bilateral agreements with Lomé countries, covering on the one hand investment protection and on the other codes of conduct. I think this would be an extremely practical way in which we could help our partners in Lomé.

Also, of course, we must make even greater efforts towards the elimination of hunger.

I am conscious, Mr President, that next year will be historic as we meet in Zimbabwe, a fragile new nation coming into the international community and into the Lomé framework. The proposed ACP-EEC Joint Mission which is to take place at the time of that meeting to the front-line States is a unique example of cooperation, though I must be permitted to regret that the visit is not to be extended to South Africa, on the basis that we should look as frankly as we can at both sides of that very difficult question. I hope that that particular decision will be re-examined.

Mr President, on behalf of my group I very much welcome Mr Clément's report, and I commend it to the House. I hope, like my colleagues, that we shall have an annual discussion of the outcome of the Lomé Assembly and Joint Committee work.

President. — I call the Communist and Allies Group.

Mr Denis. — (FR) Mr President, this debate is taking place at a particularly important stage in relations between the EEC and the developing countries. I regret that it has not been a joint debate, which would have been logical. The need to reshape international relations and establish a new world economic and political order is at the centre of the various international meetings devoted to the problem of development. It was put forward forcefully at the most recent EEC-ACP meetings.

In particular, two major concerns dominated our proceedings: on the one hand, the serious difficulties involved in implementing Lomé II and highlighted by the report and the resolution tabled by Ambassador Insannally and adopted by the Consultative Assembly; and on the other hand, the contribution which EEC-ACP cooperation could make to the development requirements of our ACP partners, who are experiencing in many areas a difficult, even critical, situation. These are the questions we should be debating today by assessing the magnitude of the problems raised and the urgency of the solutions to them.

In fact, the work and the conclusions of the Consultative Assembly, based as they are on a Treaty, should not remain a dead letter and must be taken into account by both Parliament and the Community.

The EEC has shown all too often in the past that there is a discrepancy between speeches and resolutions on the one hand and practical action on the other. We therefore feel it would have been desirable and above all logical for Parliament to accept as its own the resolution adopted in Luxembourg by the Consultative Assembly. In any case we regret that Mr Clément's report does not give a full account of the scope of this work and presents what is, to say the least, a watered down version of this resolution. The amendments tabled by the French Members of the Communist and Allies Group are, however, intended to make up for some of these glaring omissions, since otherwise we would have to admit that those of our ACP partners are right who have criticized the sort of two-faced attitude which is so damaging to genuine cooperation.

Yet in addition to the burning questions of sugar, enlargement, Stabex and Sysmin, the Insannally resolution deals with the basic aspects of cooperation levelling a number of criticisms at the Community and making important suggestions for improving relations, suggestions which can be taken up without further ado.

It is our duty to heed the warning cry from our ACP partners in Luxembourg.

At the meeting of the ACP Council of Ministers which has just been held emphasis was once again placed on the crisis from which our cooperation is suffering and a call was made for an extraordinary meeting of the ACP-EEC Council of Ministers to be called before the end of this year to discuss mainly the problems of sugar and the way in which the ACP countries are being discriminated against in this respect. We feel they have a right to be treated fairly and to be granted the 8.5% requested. It is in fact unacceptable for this discrimination to continue when we know that the only reason for it is the opposition of a single country, the United Kingdom, and beyond that a single multinational company dominating this market which is vital for so many countries. Since there is no reason

Denis

why names should not be mentioned, I am referring to the well-known company of Tate and Lyle.

I would stress that what the ACP countries are asking for is a legitimate claim which the French Communists cannot but support. It is possible to act without delay to devise a cooperation policy with a new content, geared not only to immediate needs but also to the responsibilities and potentialities of the European Community.

Above all we must see to it that the Convention works on a really democratic and equal basis, leaving no room for either exploitation or paternalism and doing away with the practices inherited from the past. Thus our partners must be consulted in good time on the progress of the enlargement negotiations. Similarly, the trade unions must not be excluded either. The transformation of trade structures must be speeded up, while at the same time making sure that the preferences accorded to ACP exports are not called into question, that genuine industrial cooperation is practiced and that we take action to extend agricultural cooperation, particularly through the Technical Centre for Agricultural and Rural Cooperation, which must be provided with adequate funds. On this basis it is possible, relying on actions rather than fine words, to increase considerably the means of combating hunger and to support any initiative which helps to develop agriculture to cater for the needs of the countries themselves and which has self-sufficiency in food as its ultimate goal.

We also support the request to negotiate long-term sales contracts for agricultural products on preferential terms.

To help in achieving all this, we propose that EEC development aid be doubled between now and 1985, in accordance with the UN resolutions proposing that aid to the least developed countries be increased to 0.15% of GNP and the total of government aid to 0.70%.

It must be said that most of the realistic proposals along such lines were rejected by most of the European participants. We even find the same attitude in this very House with regard to the amendments tabled by the Communists on the budget.

For our part, we are deeply convinced that the mutual interest of the peoples of the developing countries and of the workers in our countries is best served by promoting a cooperation policy based on equality and mutual advantage, and that by helping nations yearning for development and a new order, we shall also be helping ourselves out of the crisis. Obviously this cannot be done unless we do something about the domination by economic forces which thrive on poverty and which stand to gain by keeping these countries dependent.

Our work has also cast light on the serious consequences that any blocking of the North-South dialogue would have for these countries. However limited its results, the Cancún meeting managed to lay down an agreement on the need to start global negotiations within the United Nations. Since then we have witnessed, particularly from the Americans, an attempt to hamper this process. This reinforces the need for the member countries of the EEC to do what they can to ensure that the UN decides without delay to open these global negotiations at the beginning of 1982 and that the implementation of Resolution 34-138 is discussed.

In conclusion, the contribution made by France both at Cancún and at the Paris Conference confirms what we have already stressed in this House: our country can play a new and positive role in this field.

President. — I call Mr Seligman.

Mr Seligman. — Mr President, I have some sympathy with the previous speaker, Mr Denis, about Cancún. It is very sad that the spirit of Cancún, according to the German Foreign Minister, has evaporated on the road to global negotiations at the United Nations. This is because the Third World came to Cancún determined, in the words of Mrs Gandhi, 'to restructure the balance of the world economy on a more equitable basis' and President Reagan, accompanied by his financial aide, Mr Regan, arrived determined to make no change in the financial balance of the world.

Until there is a political will to change this balance to a more equitable level, there will be no economic change. This is a tragedy because I believe that the representative of the Arab Gulf States, Saudia Arabia, arrived at Cancún with surplus petrodollars in his pocket and he was prepared to contribute to the creation of an energy affiliate of the World Bank if others did so as well. He went away disappointed by the opposition of one man — the American President.

Now, we must not give up hope that global negotiations will move forward again under the pressure of members of the EEC, Canada and members of the Third World. This imbalance in the world economy cannot be allowed to go on. In 1973 the developing countries had an oil bill of 7 billion dollars. This has now risen to 50 billion dollars in 1981 and will reach 230 billion dollars in 1990.

Oil-induced recession also reduces the demand for the Third World's products to be sold in sophisticated western markets. By the year 2000 the world will have 1½ billion rich western industrialized people and 5 billion impoverished people in the developing world. This in itself will be politically very unstable. And the developing world is now consuming only 14% of the world's energy. 86% is being gobbled up by the indus-

Seligman

trialized world and the Third World is not going to allow this disparity to go on indefinitely.

The average American consumes 8.4 tonnes oil equivalent of energy per year, whereas a South East Asian consumes less than half a tonne, so the consumption per capita in America is 35 times as much. The Third World also have to spend about 80% of their hard currency earnings on imported oil. In the case of India, where we were two or three weeks ago, oil costs 73% of their hard currency, or 6½ thousand million dollars a year, so the Indians and the Third World have very little left for importing our manufactured goods and without adequate energy, of course, the Third World can do very little to improve their worst problem, and that is shortage of food and shortage of drinkable water.

That is why I want an assurance from the President-in-Office of the Council of Ministers 'Mr Hurd' that he will press for a resumption of the North-South Dialogue as soon as possible in global negotiations or elsewhere and I hope that we will not have the excuse that all ten Members of the Community have not been invited. It is vital to push ahead with recycling the willing Arabs' surplus petrodollars into the world economy, and particularly the Third World economy, and one single country, America, must not be allowed to frustrate this.

President. — Mr Seligman, I must own up to the House that the Presidency has made a mistake in calling you to speak on what I think you were intending to speak on, which is Mr Poniatowski's Oral Question. I think that there is nothing in the Rules which says that the Presidency cannot make mistakes and the most sensible thing for us to do is to include your remarks in the Minutes under the proper heading.

I call Mr Adamou to speak on Mr Clement's report.

Mr Adamou. — (GR) Mr President, we representatives of the Greek Communist Party also consider that the problem of relations between the highly developed and the less developed countries of Europe is most important and should be solved not by the highly developed countries selfishly striving to find new markets, but in such a way as to give genuine assistance to the less developed countries through the construction of a new and just international economic order.

I should like to take this opportunity to make a specific comment on paragraph 7 of the Clément report, which refers to the problem of sugar: to be precise, before joining the EEC our country was not only self-sufficient in sugar but also an exporter of sugar. But as a result of the regulations which became applicable on entry, sugar-beet cultivation was

restricted, production fell and sugar factories were closed, despite the relatively low cost of sugar production in Greece, and our country was obliged to import 120 000 tonnes of sugar imported into the EEC from ACP countries and subsidized out of the budget at the rate of 11 drachmas per kilo. We cannot but condemn this state of affairs and state that we shall struggle to put a stop to this unjust treatment which is harming Greek workers.

What conclusion can be drawn from this? The regulations governing relations with third countries must not sacrifice the small countries of the EEC, as is happening to Greece in the case of sugar. The principle of Community preference for Member States' agricultural produce must not be infringed. Not that we are fanatical supporters of Community preference, but since we participate in the Common Agricultural Policy, there is no reason why we should share only its negative effects.

Lastly, it is unacceptable that the regulations involving third countries should be based on the strategy of 'divide and rule', i.e. fostering competition between the ACP countries and the small countries of the EEC. We consider that our country, which is not one of the highly developed countries of Europe, has common interests and close ties with the ACP countries in the struggle for a new and just international economic order far removed from imperialist exploitation.

President. — I call Mr Turner.

Mr Turner. — There is no doubt that this Joint Committee works. I only wish to take one moment, as I happen to be chairman of the cultural working party, to say that the Schall report on culture is really a most notable document. It is a resumé of all the issues and all the opportunities that we have in our contacts between Europe and the ACP and I very much hope that Members of this Parliament who are not primarily concerned with the ACP, but who are concerned with research and youth, education, the arts, the media and tourism, will also read the full document because it concerns them too and those aspects of their interests in the ACP.

Mr President, I am glad to say that the ACP Joint Committee has agreed to continue this working party. We are now going to monitor progress in the cultural field and put forward specific concrete measures for carrying out what has been foreshadowed in Mr Schall's report and I hope that the Parliament will support the resolution and report of the rapporteur on this matter.

President. — I call the Council.

Mr Hurd, *President-in-Office of the Council.* — I am very glad to have the change of being present at this important debate because I had the opportunity to attend the Consultative Assembly in Luxembourg with which the draft resolution and the speeches have been concerned.

That was a very interesting occasion for me and obviously it was also for the other speakers who have taken part in this debate. Partly, as Mr Pisani and Mr Jackson said, because we all feel that the Lomé relationship is an essential and practical expression of the Community's part in the North-South Dialogue. It is something unique which the Community and the ACP States have created and the Consultative Assembly and the related committees is the illustration of that unique achievement.

But the danger, of course, in all aspects of the North-South Dialogue, the danger of which I think parliamentarians should be particularly conscious, is that rhetoric and the exchange of well-meaning generalizations will swamp the actual discussion of practical realities. The practical realities which we have to face are, of course, the immense difficulties encountered by the developing countries in their relationship with their own natural circumstances and in their relationship in trade and finance with the developed world. We also have to face as parliamentarians the reality of the difficulties existing inside the Community: the economic difficulties which our own peoples face, which cannot be denied, and which do inevitably affect and limit the effort which we can make towards the developing world.

I thought that the debates at Luxembourg and this debate this morning have on the whole resisted the temptation for rhetoric and have dealt in a serious way with a number of important and practical points, and I would like to comment briefly on four of those which have been raised during this debate I do so in the order in which Mr Clement presented them.

The first is the question of the resources for Stabex and Sysmin. Now, of course, these are not opened. We understand and respect the motives of those who argue that in effect they should be adjusted, that is to say increased, each year in response to the needs which appear. But actually the resources made available under each of these headings were agreed in long and difficult negotiations for the Lomé II Treaty. And as someone who took part in those negotiations I can say that they were extremely serious and that concessions were made on all sides.

The result was a treaty in which certain resources were allocated by the Community to certain purposes favoured by the ACP. The Presidency believes that it is rather early to conclude, at the end of the first year of operation of the new Convention, that the resources overall will not be adequate. That is not to say that there are not difficulties already apparent —

there is certainly a need for study and consideration and that study and consideration are under way in the other two institutions of the Community.

On the second point raised by Mr Clement, and added to in strong terms by other spokesmen since then, namely the ACP sugar price, I obviously have to choose the Presidency's words with great care because of the delicate diplomatic situation in which we actually stand on this matter today. Therefore I will not contest, although I could do so, some of the remarks which have been made. I would simply say that I think it is necessary to add one point to the analysis to which we have listened as regards the sugar refining capacity of the Community.

It is an interest of the ACP countries that the sugar refining capacity of the Community survive and this interest of the ACP was made forcefully clear to us at the time when Tate & Lyle closed their refinery in Liverpool last year. Obviously it is illogical — and I recommend this point, for examination — on the one hand to insist that the sugar refining capacity of the Community remain in order to refine the cane sugar from ACP countries chiefly, and at the same time to deny to that capacity the financial means of surviving.

But having said that, I would stress that the Council is anxious to bring the negotiations with the ACP on the sugar price for 1981/82 to a speedy conclusion. This has not been happy story, and we would like to find a satisfactory ending. The Council has not yet completed its work on the mandate for these negotiations in their present phase. Once the Council discussions are completed the Community will get in touch again with the ACP — we recognize the importance and the urgency of this — in the hope of being able to bring matters to a conclusion which is reasonably satisfactory to all those concerned.

The third point raised by Mr Clement is one which I echo because I listened, like him, to the speeches made in Luxembourg and that is the extent of discussion which should take place between the Community and the ACP countries in advance of the further enlargement of the Community to include Spain and Portugal.

The Council and the Presidency recognize that there is a legitimate concern here and we have undertaken to keep the ACP States appropriately informed of developments in the enlargement negotiations and to proceed to any necessary discussions of the possible effects of enlargement for the ACP States, so that we hope we can actually steer a sensible course in meeting this concern.

Finally Mr President, I was slightly startled to find myself required by Mr Seligman to give assurances on global negotiations under this particular chapter, but your predecessor in the chair explained how this came about. Perhaps it might be to the convenience of

Hurd

Parliament if I replied now to the point that Mr Seligman raised, rather than leave it to discussion this afternoon.

It is certainly the desire of the Community, and of the Presidency, that global negotiations should get under way in the light of the discussion, which was a helpful discussion, at Cancún. There are at the moment proceeding in New York very complicated negotiations in which the United States administration is taking part with representatives of the Group of 77 and certainly with the representatives of the Community including the President.

We are trying during these discussions to help all those concerned to find a way in which the global negotiations can be launched. It is not entirely easy and Mr Seligman gave some of the background from a committee point of view. It is not entirely easy, but certainly the discussions are at an interesting stage and it would certainly be wrong to despair of their success and we will do whatever we can to make that success more probable.

Those are the specific points which have been raised with the Presidency, Mr President, and I would just like to emphasize, finally, the importance which we attach to the practical side of this relationship and to finding sensible and practical solutions to the different points which are bound to arise as the relationship evolves, as we gain more experience under the Treaty.

IN THE CHAIR: MR VANDEWIELE*Vice-President*

President. — I call the Commission.

Mr Pisani, Member of the Commission. — (FR) Mr President, the relations which the ACP countries and the EEC enjoy through the intermediary of the parliamentary institutions are sound. This is particularly due to the fact that they make it possible to discuss difficult problems in a flexible, yet institutional manner. The Commission will always be ready to foster these relations for as long as it finds them, as it has in the past, a source of inspiration.

In order to answer related questions which have been put, I should like to state that the Commission does not limit itself to this type of contact and that, with a view to strengthening the Lomé Convention we have contacts which are now becoming regular with agricultural organizations, including the agricultural organizations of the Third World, with trade unions, including the trade unions of the Third World, and

with industrial organizations, including the chambers of commerce of the ACP countries. It is thanks to this significant exchange of views and ideas that we hope to develop and strengthen the Convention.

On the subject of the last part-session, I should simply like to make a few comments on the Chasle report and go into slightly greater detail on the Insanally report, which has been discussed at length this morning.

As regards the Chasle report, it is obvious that cultural cooperation is not adequately catered for in the Lomé Convention and that, rather than wait for the next Convention, we ought to be now boosting the means at our disposal in order to develop this cooperation. However, I should like to point out that culture not only means folklore, nor is it merely an intellectual exercise aimed at analysing specific phenomena. Culture is the means whereby each country expresses its originality. The project is a very ambitious one and will require a radically different approach economically and otherwise.

As regards the Insanally report, I should first like to tackle the Stabex issue. From the administrative and financial points of view, the central feature of the system of stabilizing prices is that it has an annual basis, whereas the fluctuations in prices are by definition cyclical.

Consequently, what we first need to know is whether it is possible to manage a cyclical risk of fluctuation using an annual system. Experts I have consulted on several occasions inform me that at the end of the financial year and upon expiry of the Convention, it is likely that part of the losses incurred by the ACP countries during the first year will be offset. The problem nevertheless remains of adapting the financial mechanism of Stabex to the reality of fluctuation. This is only the first problem.

A second problem was raised at the Paris Conference that of the generalization of the Stabex system. A fortnight ago I attended a fairly lengthy workshop with the UNCTAD representatives and we discussed in particular the problem of generalizing Stabex, a problem which they, like ourselves, are in the process of examining. We came to the conclusion that it was very unlikely that turning Stabex into a single worldwide system would prove feasible, but that the creation of inter-regional Stabex systems was desirable in places other than Africa and Europe and that between these Stabex systems, these regional stabilization systems, there should be a system of harmonization and compensation. This is the line of study we are pursuing at the moment.

Mr Fuchs earlier stressed the fact that the Stabex system was not in itself and could never in itself provide a satisfactory answer to the crisis in the basic commodity sectors and to the burden on the developing countries which are often monoculture coun-

Pisani

tries. It is obvious that the effectiveness of the Stabex system will be enhanced or even optimized only if we reach world-wide agreements on control of these products. One day I will no doubt have the opportunity of analysing in greater detail, as needs to be done, the distinction between two mechanisms which have similar features but are totally different. The first is the regularization of prices, i.e. agreements on products, and the second regularization of income, i.e. the Stabex system. In my view, our ability to solve the problem will depend on the extent to which we take account of this difference.

The third comment on the Stabex system was prompted by a conversation I had less than a week ago with the president of the Republic of the Ivory Coast. He is an out and out advocate of world agreements by product and of the Stabex system, but the crisis afflicting the Stabex system at the moment and the difficulty we are encountering in drawing up these world agreements have led him to steer his agricultural policy towards diversification. Whereas for twenty years the Ivory Coast went all out for export crops, the new guidelines of the government of the Ivory Coast call precisely for the introduction of means of diversifying crops and of developing food crops.

Significant as it may be, I am not trying to make this example a reason for being satisfied with the operation of the Stabex system. I am simply trying to point out that the instruments at our disposal should enable us to guide each country towards a preference for food crops rather than export crops, which make them very dependent upon us.

As the problem of the Technical Centre for Agricultural Development has been raised, I should like to say that yesterday I met the bureau of the ACP ambassadors and that we together drew up a procedure and a guideline which ought to enable us to achieve results in the near future. The European Parliament's Committee on Development and Cooperation will be duly informed in the weeks ahead. On Sysmin, I should like to state that we are about to sign the first two conventions with Zaire and Zambia, in conditions which are different but no less satisfactory. In particular, the real problem posed by Sysmin lies elsewhere, i.e. the help we can give Africa so that she can finally assess her mineral resources, about which she knows little. It is considered that Africa has 30 to 40% of the world's mineral resources and very few of these African resources have been prospected.

How can we help countries which have such resources, sometimes unknown to them, to discover them and, in particular, to measure their extent? This is one of the problems we have to tackle. The Commission will submit to the Council in January or February next a paper on this providing an analysis of a possible prospection system and a system of Community aid towards this line of research.

As regards sugar, the rate of increase in the price of raw sugar will as from next year be equal to the rate of increase for white sugar. In addition, I have undertaken a commitment *vis à vis* the ambassadors of the ACP countries to modify the procedure and not to confront the ACP producers of sugar with a decision which would have been taken in the context of European price fixing without consultation before-hand. We cannot speak of negotiations when what is taking place is merely a notification of decisions taken.

From now on contact will be made before European prices are fixed so that as detailed an exchange of views as possible can be had. However, I cannot say on behalf of the Commission that the difficulties we are currently experiencing in bringing this issue to a successful conclusion is damaging to the credibility of the Community and could lead to institutional problems to which we are not accustomed and which would go further than we had wished. I would have liked — and the Commission itself has done everything possible — to see an agreement, but this has not been possible.

On the question of industrial production, I should like to add that the real problem facing us is to find the means whereby a network of small and medium sized enterprises could be developed in each country. Setting up large production units in privileged spots, production units which in fact constitute a total mismatch with the social and economic situation of the host country — this is what all too often happens — is not the solution to the industrial problems of the developing countries.

The solution is an industrial framework such as we have in our countries. Speaking realistically, the strength of our countries lies in the industrial framework we possess rather than in large enterprises. I should like to bring to a close an address which has perhaps been excessively long, Mr President, but the fact is that this debate has raised a considerable number of questions which I am only sorry not to have been able to deal with in greater detail. Inherent difficulties notwithstanding, the Lomé Convention remains an instrument of exceptional merit and, if it can be optimized, it will retain this quality. It will do so if it can be brought into line with international trends. However, Lomé is not alone in the world and a greater degree of success, the widening of Lomé's sphere of action, the optimizing of its mechanisms, and the increase in the resources earmarked for the Convention undoubtedly depend on what the follow-up will be to the Cancun meeting. Whatever privileged relationships we have with the Third World, we — Europe — cannot take the place of a new world economic order, the need for which all the major countries in the world seem, alas, to be unaware of.

(Applause)

President. — The debate is closed. The vote will be held at the next voting time.

6. North-South Dialogue

President. — The next item is the oral question with debate (Doc. 1-866/81), tabled by Mr Poniatowski and others on behalf of the Committee on Development and Cooperation, to the Commission:

Subject: Prospects for the North-South dialogue, particularly after the Cancún conference

What, in the opinion of the Commission, are the prospects for the North-South dialogue, particularly after the Cancún conference, and what steps should be taken by the Community to facilitate the opening of the global negotiations proposed?

I call Mr Poniatowski.

Mr Poniatowski. — (FR) Mr President, ladies and gentlemen, it was the feeling of the Committee on Development and Cooperation that a debate on the Community's development policy which brought together reports on the non-associated developing countries, the least developed countries and the application of the Lomé convention would perforce raise the essential question of relations between developed countries and developing countries, in other words the North-South dialogue. This was all the more so since the Cancún conference at the end of October was intended to lead to a new step forward in the dialogue through global negotiations at United Nations level. That is why our Committee resolved to put to the Commission of the European Communities an oral question with debate on the initiatives which the Community should undertake to facilitate the resumption of global negotiations.

After the Cancún conference the Committee on Development considered this question at great length. We felt that the conference did something to bring the North-South dialogue back to life, though we regretted the absence of a number of significant representatives. It was, therefore, a useful step forward which, although it resulted in no formal decisions, allowed a broad and candid exchange of views on the main differences of attitude and even enabled a consensus to be reached on a number of aspects of the North-South dialogue. Due attention should be paid to the fact that the question of security of food supplies in the developing countries, and of their agricultural development, was considered in great detail. From this it became clear that those present shared the same opinions. And to a large extent those opinions are the same as those expressed by the European Parliament in the Ferrero resolution; opinions which in our view the Council and the Commission are being too slow in implementing as Community policy. The

view of our Committee is that the primary objective of the Cancún conference was to stimulate the North-South dialogue. What we must do now is to provide evidence of that stimulus by surmounting the many obstacles presented by individual attitudes.

Our Committee considers that the Community has an essential role to play in this, for the Community is the body which is most concerned to see progress and a positive outcome to the North-South dialogue and most keenly committed to it. Our role must be not only to reiterate our support for the global negotiations but also to persuade the principal partners to give up their reservations and to withdraw their restrictive conditions. Global negotiations must relate to every one of the priority aspects of relations between the North and the South, which is to say security of food supplies and agricultural development, raw materials, trade and industrialization, energy and economic and monetary problems.

I should tell you here that the Council of Ministers for General Affairs has just approved a report on the position of the Community in the North-South dialogue which broadly corresponds to the position which I have just outlined to you. One of the items in the report which the Council has approved relates to the energy question, for which the Council recognizes the need to create — and I quote — 'a body for energy matters within the United Nations or another appropriate framework'. This view coincides largely with that of our Committee which has pronounced itself in favour of establishing a worldwide financial institution to deal with the energy problems of developing countries, while at the same time we call on the Community to draw up its own action programme with the help of the European Investment Bank in particular.

Whilst on the subject of the specialist institutions of the United Nations, the Community should also be encouraging their democratization through greater participation in their management by the developing countries. It would after all be hypocritical to talk of establishing new relations between the North and the South if we refused to allow the developing countries to play a new influential role in these specialist institutions.

Lastly, our Committee would like to make plain its concern that the increase in international tension is tending to overshadow the problems raised by relations between North and South, and is consequently hindering development policy. The same concern applies of course to the continuing increase in arms expenditure throughout the world, to the disadvantage of development in developing countries, particularly in so far as funds available for the fight against poverty and hunger are that much further reduced. It is a very great scandal, ladies and gentlemen, that each year the world spends more than 500 000 million dollars on arms — and the United States and the Soviet Union alone spend more than 300 000 million dollars —

Poniatowski

when we know that there are 40 million children dying each year and a thousand million people are undernourished. A small fraction — less than 10% — of that 500 000 million dollars each year would enable us to solve that problem to a very great extent.

In closing I would like to draw your attention to two questions which to me seem fundamental to any real progress in North-South relations.

First, the fact that it is absolutely essential that every industrialized country, without exception, takes part in the global negotiations. If they do not, the negotiations will be neither global nor valid. For it is an illusion to believe that a few industrialized countries — including the Community — can by themselves establish a new relationship between North and South. Such a relationship can only exist with the participation and the contribution of every industrialized country.

My second point, a point made by our Committee, is that under no circumstances should the continuing global negotiations and the wait for the outcome be used as a pretext for the Community to delay progress in existing Community development policies.

I would add that should the global negotiations fail it will be all the more vital for Community action to be extended. The two policies must be expanded together. If the Community fulfils the double mandate to which I have just referred it will have fulfilled its role in establishing more equitable international relations. That is the purpose and the goal of the motion for a resolution which the Committee on Development and Cooperation puts before you in this debate.

President. — I call the Commission.

Mr Pisani, Member of the Commission. — (FR) Mr President, ladies and gentlemen, certainly on the face of it the Commission has no objection to Parliament adopting the resolution now before you. Quite the contrary, the Commission is delighted at this initiative taken by the Committee on Development and Cooperation and by its chairman.

Shortly after the Cancún Conference I had the opportunity of setting before the Committee on Development my own personal doubts and fears that this historic, this remarkable and solemn conference had produced no tangible effect on the way world affairs were conducted. I may have been wrong in one respect. The fact is that the Cancún Conference was the first occasion on which 20 heads of state and government were able to examine properly the food and agricultural problems which the world faces and to give them the consideration which they deserve.

Since the Cancún Conference ended the question of global negotiations has shifted back to the United Nations, and one has to be familiar with those corridors of power to understand what is going on. The initiative remained in the hands of the President of the General Assembly, Mr Quitani. After a number of sometimes difficult bilateral meetings he took the step of tabling a draft text which attempted to define the principles from which the global negotiations could start at the beginning of next year. He took a very firm line and asked each country to make up its mind.

What happened was that three group attitudes developed towards the Quitani text. The first group consisted of what is best called the group of 77; the second group consisted of a number of countries centred around the European Economic Community and the third group consisted essentially of the United States of America.

The group of 77 was half in agreement with the Quitani text although the reservations they expressed seemed to be rather more the result of a desire to have a negotiating position which could be used in the final stages than the result of any real reservations of substance.

The EEC, on the other hand, decided to give its support to the Quitani text while reserving its position on some points of detail. The United States ambassador to the United Nations asked for time for the National Security Council to meet. I don't think it would be an exaggeration to say that there is a degree of uncertainty, or even of contradiction, in the attitudes adopted by the United States administration at the UN building in New York, in the State Department and, finally, in the White House. There has then been a degree of uncertainty for some time. As a result, during the last few days, the British Presidency took the step of asking the United States government whether it would kindly say exactly what its position was. Even so, nothing has yet been decided as I now speak.

Having given you this somewhat bleak analysis of what is going on in the corridors of power, I would like to repeat what I was saying a few moments ago, that in the absence of global negotiations, in the absence of a more integrated approach to world problems, the North-South dialogue will become a dialogue of secondary importance in a world where east-west conflict takes the news headlines. I must say that if that were to happen, and if the North-South dialogue were indeed to become of secondary significance the world would without doubt be taking an intolerable risk, because although the south cannot take a part in a great war it would inevitably be the scene of major conflict. We will find that certain problems and tensions will disappear provided we are able to resolve the problems faced by the south. That is why the Community, the Council and the Member States, together with the Commission and the Parlia-

Pisani

ment have a decisive role to play in the debate which has just begun. I have no doubt that wisdom will finally prevail, for were it not to, the risks would be too enormous.

President. — Time forces us to suspend this debate, which will be resumed after voting time.

7. Statement by the European Council

President. — The next item is the statement by the European Council on the meeting of 26 and 27 November in London.

I call Mrs Thatcher, President-in-Office of the European Council, whose presence here I welcome.

(Applause from various quarters)

Mrs Thatcher, President-in-Office of the European Council. — Madam President, this occasion is a pleasure and a privilege for me. It marks an important point in the development of the European Community. This is the first time that the Head of Government of the Member State occupying the Presidency has attended a session of the European Parliament for the purpose of giving an account of a meeting of the European Council. The fact that we meet today recognizes among other things that the European Council has become an important part of the European scene. It gives Heads of Government the opportunity to discuss matters where Community business and political considerations overlap. We need this opportunity for a general exchange of views, as well as for the resolution of the Community's most important problems.

The European Council held in London on 26 and 27 November was just such an occasion. The atmosphere throughout was friendly and constructive. Certainly there was more detailed discussion than usual because of the nature of the agenda. Nevertheless we spent several hours discussing the commanding problems of world recession and East-West relations. Indeed this European Council well illustrated the two features of our relationship; the first, the problems that have to be resolved between us, and the second, our relationship with the outside world. Those are equally important to the well-being of the people whom it is our privilege to represent.

The main subject we discussed was the mandate of 30 May. It is worth recalling how it originated.

The problem arose when one of the Member States, my own country, found itself bearing an unacceptable and increasing budgetary burden as a result of the

combined effect of Community policies. As the Community analysed this problem, it became clear that the real issue was not confined to budgetary matters. It concerned the whole balance of Community policies, including the relationship of agricultural expenditure to regional, social and industrial expenditure. Agriculture absorbs a preponderant share of the Community budget and leaves insufficient resources for other areas equally relevant to the problems of advanced industrial societies, especially at a time of economic recession.

The Community agreed on 30 May 1980 that the problem should be resolved, and I quote 'by means of structural changes'. The Commission was given a mandate to produce proposals as to how this could be achieved without infringing basic Community principles.

The Commission's report was produced in June and concentrated on three main areas or chapters. These were: the reform of the common agricultural policy, the development of other Community policies, in particular economic, regional and social policies, and the Community budget. It was agreed that all three chapters must be considered in parallel.

Behind the prosaic words of the mandate lies the essential belief that if it is to endure, a venture as bold and imaginative as the European Community must adapt to changing circumstances and to the hopes of generations yet to come. To the Community, as well as to its Member States, the dictum of that distinguished political thinker, Edmund Burke, applies. He said in the eighteenth century 'A State without the means of change is without the means of its conservation'.

(Applause from the European Democratic Group).

Speaking for myself, I believe that the Community can and will rise to the occasion. For however diverse our national histories, we all know that our future lies in working together. Of course the modern tendency of politicians is to want more spending on their own particular interests in their own country. Indeed, it is sometimes hard to believe that parliamentary democracy started with the intent to curb the power of the executive to impose greater taxation on ordinary citizens.

Throughout our deliberations in the European Council ran the constant reminder that our resources are limited, and the question is how to allocate them fairly.

The 30 May mandate laid on the British Presidency the responsibility of reaching decisions by the end of this year. That target was always ambitious. It became more so when a change of government brought about in one Member State by national elections understandably delayed detailed discussion until well into

Thatcher

September. The responsibility of the Presidency against the background which I have described was truly heavy and we have made strenuous efforts to advance the discussions.

At the European Council on 26/27 November the three chapters were talked over in great detail. From the Community loan facility and its extension through the proper priorities of regional policy and its finance, prudent policies for agriculture, national aids, export and import policies, to the budgetary decisions themselves. Throughout we recognized that each conclusion could only be conditional as it rested on a comprehensive agreement about all three chapters.

I had very much hoped to be able to report to you today that the European Council had been able to reach full agreement on all these matters. Unfortunately I cannot do so. Much progress was made, but on four main areas we were unable to reach any measure of agreement. These are: first, the problems arising from the Community's milk regime. Second, the way to deal with Mediterranean agriculture. Third, how to relate the share of agricultural expenditure to the development of the Community budget as a whole. And, fourth, how to ensure that no Member State is put into an unacceptable situation as a result of the total effect of the Community budget.

We asked our Foreign Ministers to meet informally as soon as possible in a further effort to resolve these matters and to report to heads of government. That meeting took place on 14 and 15 December. Despite their best endeavours, Foreign Ministers were not able to reach agreement on the outstanding points. They therefore decided to invite the President of the Commission to make revised proposals for guidelines on the four points in the light of their discussions.

They have agreed to meet again to consider these proposals in the first half of January. I hope rapid progress can then be made.

(Applause from certain quarters).

Further delay will serve no one's interests and the need to press ahead remains as strong as ever.

Madam President, this Parliament will wish to know that at the beginning of the Council's proceedings Mr Papandreou, the Prime Minister of Greece, made a statement about the economic problems of Greece and his Government's attitude towards the Community. I should also report that Chancellor Schmidt and Mr Spadolini drew the attention of the European Council to the ideas put forward by their governments for closer European cooperation. The Foreign Ministers will now examine the ideas, some of which are far-reaching, and report back to a future European Council.

Madam President, our Community works against the backcloth of world economic problems. The European Council addressed itself to the economic and social situation and the difficulties facing us at a time of continuing world recession. Accustomed to growth over many years, we have entered a period when we do not expect to see it resume at such a rate for some time to come. Thus, advancing technologies and changing patterns of world trade have left our countries with levels of unemployment we thought never to see again. Every country is especially concerned about unemployment among youth, and we all recognize the need for better training. We shall return to this aspect of our work at future Councils.

In our general approach to economic policies, we endorsed the view of the Commission — namely, that the objectives of fighting inflation and unemployment need determined policies to bring deficits under control and to keep production, distribution and unit labour costs in check. Perhaps one of the most interesting parts of that discussion centred on the effect of high public deficits. They, we were told, lead to unusually high real interest-rates, which in turn strangle expansion. Thus, high public deficits turn out not to be reflationary but deflationary.

Madam President, at times of national difficulty a tendency to protectionism is strong; but apart from limited areas, where a period of adjustment is necessary, we recognize that it is not in the best interests of our people.

(Applause from the European Democratic Group)

Protectionism in some products can so easily lead to retaliation in others. We were very conscious that we need to pursue a Community policy on trade with Japan. The Community has put its detailed points to the Japanese Government, and we now await their response. In the meantime, we have to continue to rely on national arrangements so as to reinforce the efforts of the Community as a whole.

As the third anniversary of the European Monetary System falls next March, we agreed to review its operation at that time.

The theme of economic cooperation between countries, including the United States, ran strongly through all our deliberations. We are each affected by the economic policies pursued by others. We believe that that is something we must each take into account in order the better to come through recession to expansion of world trade once again.

Madam President, the Community is, and must continue to be, a force for stability in the world . . .

(Applause from various quarters)

Thatcher

... a world that is sadly torn and distracted by conflict. Coordination of foreign policies through political cooperation is a key element in that rôle. It is vital to come together quickly in times of tension. The European Council welcomed the London report of the Foreign Ministers, which provided for important practical improvements in the organization of political cooperation. The growing strength and cohesion of Europe in these matters is reflected in the way Heads of Government approached issues and the range of issues they discussed. We were not simply discussing language for resounding communiqués. We were constructing European policy, policy which increasingly involves taking initiatives rather than merely responding to events.

The problems discussed included East-West relations, Afghanistan, Poland, disarmament and the Middle East. The Federal Chancellor told us about his conversations with President Brezhnev on the occasion of the latter's recent visit to Bonn. We all agreed on the importance of keeping open the channels of communication between East and West. We welcome the commitment of the United States, announced in President Reagan's speech of 18 November, to achieve major mutual reductions in nuclear and conventional systems. The Council restated in strong terms its concern at the continuing Soviet occupation of Afghanistan.

Madam President, the protection and furtherance of liberty and democracy was the purpose which inspired the founding of the Community. That purpose is as urgent today as when the Community began. With regard to the accession of Spain and Portugal, the European Council reaffirmed our strong political commitment to bringing the negotiations to a successful conclusion. These negotiations involve problems, but we all have a common interest in strengthening these newly restored democracies and in supporting them in their solidarity with the aims of Western Europe.

(Applause from various quarters)

The representation of the people is an essential principle of democracy. The Presidency has worked hard to improve the dialogue between the Council and the Parliament.

(Applause from the European Democratic Group)

Thanks to the cooperation we have received from you, the Members of this Parliament, I believe we have had some success. This is one reason why I am here today. The meeting between the ten Foreign Ministers and you, Madam President, and leaders of the Parliament, with the participation of the Commission, marked another important innovation.

The common aim of all these deliberations is to help create a Community which functions more effectively,

which protects the democracy and freedom which Europe cherishes and which takes all available opportunities to extend that democracy. For, Madam President, this area of stability and democracy in Europe is a priceless asset in a troubled world. We often count our problems. We should sometimes count our blessings. I say this in particular in a week when the events in Poland are much on our minds. The problems of Poland are for the Poles to solve, and we hope they will do so by a process of compromise and negotiation, but we must not take *our* liberties for granted. In the changing world in which we live, we must work if we are to preserve them. It is that challenge which makes progress on our own problems so imperative.

I hope that by the time the Belgian Presidency comes to report on the outcome of the European Council in March next year it will be possible to describe substantive conclusions on many of these issues. The successful future development of the Community as an instrument for furthering the cause of democracy and freedom depends on making speedy progress in our deliberations. For, Madam President, freedom must mean more than freedom to differ. It must mean freedom to act together to conserve our common beliefs, so that our children may enjoy that peace with liberty which is the greatest gift to mankind.

(Sustained applause from the centre and from the right)

President. — I call the Commission.

Mr Thorn, President of the Commission. — *(FR)* Madam President, Madam President of the European Council, ladies and gentlemen, Parliament is allowing me four or five minutes to speak — fortunately, I should say, since that means I do not have to make a speech. In any case today is the day when Parliament renews acquaintance with the European Council. The Commission wished it to be so and it is therefore my pleasure to leave the Members of this house all the time they need: we shall no doubt be meeting again on other occasions.

(Laughter)

Will you allow me to make three quick remarks. I should like first of all to thank on behalf of the Commission and in your presence, Madam President, the Prime Minister of the United Kingdom for the work and the efforts which she and her distinguished colleagues have given throughout the term of her presidency: I speak from experience when I tell you that it is not always easy. I would like to add that by coming to this house today the President of the Council is giving shining proof of the coherence and institutional logic which is a result of your own election by universal suffrage and which completes the circle of proper and democratic operation of this Community: that, ladies and gentlemen, is important for you and

Thorn

for the Community as a whole. For it was inconceivable that a European Council which had willed the election of our Assembly by direct universal suffrage should then ignore it and not appear before you: it was illogical and it was a political mistake; today, Madam, that mistake has been put right. It was a condition which had to be met before there could be institutional peace within our Community.

(Applause)

Ladies and gentlemen, it is quite clear that the political situation which has developed over the last few days casts a bleak and very special light over the problems which we face within our Community. The year is ending in an atmosphere of doubt and tension. I do not propose to raise unnecessary alarm, but I wish nevertheless to set things before you as I see them — not just I but no doubt many of you and without doubt millions of our fellow citizens.

Where have we reached? We are at the nadir of the greatest economic crisis since the war and we are in the midst of the greatest political crisis we have seen for years. We cannot ignore what is going on in other corners of the European peninsula. Even if the first right of every people is to resolve its own problems we cannot remain indifferent to what is going on elsewhere in our continent. Wherever people with a desire for peace and for progress are in difficulty the Community as a community feels concerned. Wherever the development of democratic ideas is needed the Community feels it is involved. Wherever the threat of isolation from the world hangs the Community has the duty to react today more than ever.

(Applause)

You will agree then, ladies and gentlemen, that under the circumstances we must put the question of our own internal problems, be they general or specific, into perspective. That does not mean that we must minimize them, even less that we should skate around them. What it means quite simply is that we must approach them mindful of the seriousness of what is going on outside and of what is at stake in the present situation. I must say that during those very meetings in London at the end of November and earlier this week the political heads of our Member States were very much aware of our increased need for cohesion. They understood perfectly the seriousness of the situation and the need to continue progress — at whatever price — along the road towards new stimulus for the Community. We the Commission are of course disappointed that agreement could not be reached all around, but we agree with the President of the European Council that every government represented at the Council realized the limitations of its own individual and even, I think, national capacity, and realized that more than ever the need was for solidarity and for Community policy. And if it was at that point that the

President of the Commission was asked to try and find a solution to the remaining problems — problems whose magnitude I will not attempt to conceal — it is no less than recognition of the role which the Commission plays in our Community. It is within the limits of the mandate which has been conferred upon us. It is also within the limits of what this Parliament has asked us to do and we are going to do everything we can, Madam President, to reach a real solution by 15 January.

Following that, I should say that Parliament should also remember that building Europe has never really been the task of a few officials, no matter how devoted they may be. Making economic, social and political progress nowadays has become everybody's job. It is your job too, ladies and gentlemen. It is up to you to make your electors aware of what is at stake with the Community's internal situation and what is going on internationally, and what it will cost. I think the time has come to put our priorities right. We know we have a milk problem to resolve and we have a budget problem to resolve. We are not going to minimize them; we are going to try to resolve them. But we must realize first and foremost as Europe enters its second generation that Europe is still seeking itself, that Europe is concerned, but that the need for Europe is greater than ever. So, let us look to our priorities. Let us define Europe. Let us find Europe. Let us find it together and give ourselves a policy to work with, whether it is a budget policy or even better, an institutional policy. That is the dialogue which I hope all three of us together are now in a position to start.

(Applause)

President. — I call the Socialist Group.

Mr Glinne. — *(FR)* Madam President, Madam President of the Council, ladies and gentlemen, I think I speak on behalf of the entire House when I express our satisfaction that our demands both old and new have been met and that the President-in-Office of the European Council herself has come to report to us on the work of that high authority.

(Applause from various quarters)

It is our hope that this first occasion will become a well-established tradition and that the President-in-Office will come and report to us personally after every meeting of the European Council.

Having thus had the privilege of hearing the comments of the President-in-Office on the outcome of the London Summit, I would like first of all to express our approval of the fact that the Council put particular stress on détente, cooperation and disarmament.

Glinne

I would like to say despite the seriousness of the subject that it is far better that we should deploy all our efforts at achieving disarmament rather than deploying whole arsenal of variable-range and even, I believe, interstellar missiles. It is our very earnest hope that all concerned will appreciate that the common interest — in its strictly literal sense — of whole peoples and whole generations is involved in this question of détente, cooperation and disarmament, and that alone must impel us to rapid and substantial progress.

I hope that the call of the millions of Europeans who have demonstrated for peace during the course of the last few months will be heard by their heads of state.

(Applause from the left)

This I say with all the more conviction since at this very moment heart-rending events are taking place in a country which is both close and dear to us, Poland, events which we wish had never taken place and which we still hope will not seriously jeopardize international relations.

As regards the European union and recent initiatives relating to it, what seems most important to us is to give the Community institutions the means to bring about the European social area proposed by President Mitterrand: a social area where workers are not thrown away like worn out tools, where the bill for economic recovery is not paid by the workers alone and where the fat cattle do not go to one part of the population and the lean cattle to the other, despite the fact that it is the majority.

What we want is a Europe which is first of all made for workers, a Europe which is responsible towards them and particularly towards the least privileged amongst them.

I have to tell the House very plainly that as far as the Socialists are concerned there can be no question of asking workers for any moderation in wage demands unless they are compensated by additional benefits.

I come finally to the most disappointing points arising from the London Summit. Serious disagreement was apparent on four well-known points: dairy surpluses, Mediterranean agriculture, agricultural expenditure and the place of the common agricultural policy in the budget.

Regrettably we cannot be sure that the role of the outgoing Presidency was particularly positive in this question since the evidence suggests that the United Kingdom is still resolutely opposed to any budgetary solution which would bring about the implementation of new common policies.

Of course, the London Summit did not break down. Of course, it is quite understandable that heads of

state and government were unable to find an easy solution where specialist Councils had already failed; the fact still remains that there was a deep split between partners in four crucial areas.

The agreed procedure says that the governments of the Member States must now find a solution to the four questions which have been put to them, failing which instead of making progress Europe will be taking a step backwards, and no amount of progress in the field of political cooperation will remedy that. European public opinion may be willing to understand and allow a few weeks' delay, but any failure to reach decisions will be condemned vigorously, since the undertaking to implement new policies — the whole of the first part of the report on the 30 May Mandate — ought to allow the Community to get down finally to the critical and immediate problem of unemployment.

(Applause)

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

Mr Klepsch. — *(DE)* Madam President, Prime Minister, ladies and gentlemen, this is an important date in the history of the European Parliament. Prime Minister, I would like to thank you on behalf of my group that for the first time the Head of Government of a presiding Member State has given the elected European representatives an account of a meeting of the European Council.

(Applause from the right and the centre)

This is a visible sign of the esteem in which Parliament is held — esteem for the elected advocate of the peoples of the European Community. Prime Minister, in this way you have not only created a better climate between Parliament and the Council, you are also founding what I hope is a new tradition of cooperation.

(Applause from various quarters)

Tomorrow we will debate the six months of the British Presidency. However, please allow me to touch briefly on a number of points you raised. You made it very clear that the European Community was founded in order to ensure peace, freedom and democracy for us and the coming generations. This is indeed the central issue and so I welcome the fact that you consider it vital for the Community to act more rapidly in times of tension and that mere reaction to political events should at last make way for European initiatives.

In this respect I am pleased to hear that you support the plans of Foreign Ministers Colombo and Genscher to extend European Political Cooperation and that

Klepsch

you are clearly in favour of Spanish and Portuguese entry; in general I can only underscore what you said on the need for continued development of the European Community.

Unfortunately, Prime Minister, the reality is different. I by no means wish to detract from the United Kingdom's contribution or to question its goodwill when I say openly: we have come to a virtual standstill on the key questions of the European Community. Unfortunately, yesterday's meeting of the Foreign Ministers was basically inconclusive, similar to the disappointing Maastricht and London summits. I repeat: what we need is to break the political deadlock in the Council.

(Applause)

Prime Minister, precisely because you have made such an eloquent plea for progress in Europe, we must prepare the ground to make it possible. I cannot say often enough: as long as the decision-making mechanisms do not function, as long as the Council pursues the policy of the smallest common denominator in line with the undesirable trend started by the Luxembourg *désaccord*, Europe will not escape from its self-imposed impasse.

(Applause)

The Community will develop positively if, with the support of the European Council, we succeed in achieving cooperation between a Council with a clear political will, a Commission which is confident about its rôle and an active and dynamic Parliament.

Many people outside the Community have their eye on free Europe at this very moment. You referred to Poland. Let me add that we hope that the Polish people will be able to solve its problems on its own. There as everywhere else in the world we firmly support the right to self-determination and basic and human rights.

(Applause from the right and the centre)

Prime Minister, now that you have made such a positive appeal for new forms of cooperation between Parliament and the Council, we ask you to do what you can in future to help Europe out of its impasse. We offer you our support, in the interests of the citizens of Europe.

(Applause from the right and the centre)

President. — I call the European Democratic Group.

Sir James Scott-Hopkins. — Madam President, I wish to join with previous speakers and other chairmen of political groups in welcoming the President-in-Office

of the Council here today. Like them, I think that what she has done by coming here is to create an atmosphere of trust between the Council and this Parliament. I welcome the initiative that has been taken and I hope that Mrs Thatcher has set a precedent here to be followed by future Presidents of the Council.

(Applause from certain quarters)

Like the political cooperation of the Foreign Ministers, the Council itself is working, in ways not provided for in the actual Treaty, and it depends on precedent and tradition for its future working. I sincerely hope that will mean that not only will the President come here and report after Council meetings but that there will be an opportunity also of asking questions and obtaining answers either from the President concerning such Council meetings or from the President of the Council of Foreign Ministers. Turning to the points which were made by the Prime Minister, it is of course disappointing that no further concrete progress was made either at the November summit or at the Foreign Ministers meeting of Monday and Tuesday of this week. They were trying to tackle four areas which are extremely difficult, but like other colleagues in this House, I hope that these can be resolved. I ask myself whether the Council over which the Prime Minister presided should not in future concentrate on the big issues and leave the details to be settled by the ministers in the other Councils on the basis of guidelines given by the Council. I think one must be not too depressed by the fact that no agreement has been reached. I think one must look at the more concrete and positive results of that Council. There is no doubt that progress was made, not only in understanding between ministers and between members of the Council, but also in areas relating to the economic future of the Community, the necessity to deal with the grave problems which do face the Community. I do believe that unless we deal with such major issues as unemployment and the high levels of inflation in all our countries, then the Community will not have the necessary momentum to continue. I believe that the fact that the Council did address itself to these problems, and we heard the result of that in the Prime Minister's speech just now, is to be really welcomed. I am glad, for instance, that there is going to be a review of the EMS in March and I sincerely hope that all members of the ten countries will by that time be members of it.

(Applause from the centre and from the right)

These are indeed grave days that we live in, Madam President, the situation just evolving at the moment in Poland is giving us all grave cause for anxiety. It is comforting to know that our leaders in the Council are together in their solidarity concerning the need to help Poland and the need to make certain that there is no outside intervention from any other country such as Russia. I am quite certain that this House will want

Scott-Hopkins

to give the message to the Prime Minister in future meetings that it is essential that we do all we can to help the Polish people regain — I think that is the right word to use now — their freedom and democracy.

In conclusion, Madam President, may I say that the British Presidency during the last six months is to be congratulated on the number of Ministers who have come to this House. The innovation of having ten foreign ministers, led by the Foreign Minister of the United Kingdom, was to be greatly welcomed, and I sincerely hope that the precedents that have been set will be followed, as I am sure they will be, by future presidencies.

Although it has not, perhaps, been the final conclusion which we can all say was what we wanted at the beginning, I do believe that the solidarity which has been shown by the Prime Minister in her reaffirmation of the need for solidarity in Europe is something we must cherish in this Parliament and do everything we can to further. That is the way that our citizens and our electors are going to be able to gain benefit from Europe, and I strongly support what she has said.

(Applause from the centre and from the right)

President. — I call the Communist and Allies Group.

Mr Berlinguer. — *(IT)* Madam President, Mrs Thatcher, ladies and gentlemen, this is not the first time we have witnessed the failure of a European summit but this time it is more serious in my view on account of the moment at which it has occurred. The fact of the matter is that the Member States of the Community are beset by an economic and social crisis, the most disturbing symptom of which is that we have more than nine million out of work, and within two or three years this number could reach 15 million unless the present economic trend is halted and reversed.

Another problem for the Community is the shadow of international tension. Unless this tension is eased very quickly, as each day passes it is going to be another factor in our regression and economic and political stagnation. New and dramatic problems have arisen with the question marks over the serious events in Poland and the dramatic move by Israel on the Golan Heights. As the Italian Communists are against any act which harms the sovereignty of nations and people's freedoms — no matter where in the world, be it in Afghanistan, El Salvador or Turkey — we want to speak out from this European Parliament to express our utter condemnation of the violation of people's rights in Poland and our solidarity with the Polish people . . .

(Sustained applause)

. . . and with all the civil and religious forces which are striving to achieve a fresh political solution, based on democracy and preserving the sovereignty of the Polish nation.

As for the unacceptable surprise move by Israel, which is bound to stoke the fire of the Middle East conflict, we feel it is essential to go back on the decision to send a peace-keeping force to the Sinai. At this stage it would seem an endorsement of the Israeli action and an expression of antagonism towards the entire Arab world.

More generally, we must also remember that the southern half of the world is hoping as well for an independent Europe which will have a political and economic role to play on the international stage, in relations between East and West as well as between North and South. Europe must no longer be content to make noble but inadequate efforts at feebly limiting the more dangerous repercussions of the tension and rivalry between the two superpowers.

What this means is that today, more than ever, the European Community needs to achieve the utmost in terms of positive and fresh initiatives and in terms of unity. Instead, there has been an explosion of all kinds of centrifugal trends, protectionist moves and nationalist ideas. Does each individual country really think it can solve its problems on its own, particularly as the Community can no longer cope with the thrusting economic competition of the Japanese and Americans? And why is there no progress — in fact things are moving backwards, as the London summit showed — with the economic and political integration which Europe desperately needs?

To my mind, the major cause is to be found in the shortsighted political vision of the governments and those in economic control and in their proven natural inability to take integration beyond the limits which have now been reached. At the same time, in our view, some of the blame must also go to the labour movement in the West, since to some extent it is hampered by strictly national ideas of its actual role and interests. But there is no getting away from the fact that the labour movement in western Europe today is the element which can act on the whole fabric of the Community and provoke a fresh revival of the process of integration, so that the masses hoping for change and the healthier elements among the workers can be summoned and mobilized to work for a policy of development, social change and peace.

Just consider the overwhelming demonstrations for peace which simultaneously brought into the streets of almost all Europe's capitals vast crowds of workers, young people and women, and you will realize that these people are expressing their determination to build a Europe different from today's, with a keen desire to take a fresh approach, to get together and to

Berlinguer

play a major part in the world's struggle for peace, new development and cooperation.

(Loud applause)

President. — I call the Liberal and Democratic Group.

Mr Bangemann. — *(DE)* Madam President, I too would like to thank the President of the European Council, whose visit opens a new chapter in the relationship between the European Parliament and the European Council. Thanks have already been expressed by others but I hope the President will also accept the small liberal flower which I add to this large bouquet.

I hope so all the more because I have a number of critical comments to make, not as regards the goodwill of the British Presidency and of course not as regards the personal will of the President herself, but as regards the *results* of the endeavours so far. You rightly pointed out that the problems which exist between us must be solved by ourselves and you referred to the problem of Community financing.

Well, the first step is to reach agreement on basic issues — here too there are some points on which the European Council is still undecided. Is it not true, Madam President, that if the Community is to act jointly to combat unemployment it must also have the necessary means at its disposal?

(Applause from various quarters)

Is it not true that in using these means the Community is not misappropriating national funds but is using its own resources to solve its own problems on the basis of solidarity?

(Applause from various quarters)

You referred to Parliament in what I think was a somewhat ironic context when you pointed out that in the history of parliamentary systems parliaments have always *hindered* governments from spending money. I should like to follow up this line of thought — I assume this is what you had in mind when you referred to us — i.e. we are the Parliament that *compels* governments to spend money. However, Madam President, we are not doing this simply to spend money for its own sake but because we must prove to our citizens that Community solidarity exists, as otherwise they will lose their faith in the Community!

(Applause from various quarters)

I believe in the Commission's goodwill. I believe in your personal goodwill. But you say yourself that the Commission submitted a report on the four problems

of milk, the Mediterranean, agriculture and the unacceptable budget situation. You were not able to agree and so you passed the report on to the Foreign Ministers. The Foreign Ministers were unable to agree and now they have requested the President of the Commission to submit a new report. I do not wish to be impolite — you quoted Edmund Burke — but imagine the satire which Swift would have created out of this situation.

(Laughter and applause)

I would like you to show the same courage as our colleague Berlinguer here today — and I would like to thank him wholeheartedly for the frankness with which he spoke on the Polish problem.

(Applause)

All of us in this Parliament are willing to help you. However, we wish that a Head of Government, a Foreign Minister, a Minister for Internal Affairs, a Minister for Economics, a Minister for Agriculture would for once have the courage to speak so openly.

You speak of European Political Cooperation. What does the European Council say to the fact that the Foreign Minister of an important Member State has reneged on the Venice Declaration? You speak of political cooperation. What do you say to the fact that the Prime Minister of an important country — the same one — has suddenly adopted a different standpoint on Portugal and Spain than the one already agreed on in the context of European Political Cooperation. What is your opinion on that?

(Applause)

Madam President, we are interested in Europe just as much as you are. We want it to move forward. This is also why we were elected; we have a mandate from the peoples of this Community and we want to fulfil it. We need your help, but not only in the form of goodwill: we need deeds to support this Community, because this is what its citizens expect and this is what they are entitled to!

(Loud applause)

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

Mr de la Malène. — *(FR)* Madam President-in-Office, like everyone else I would like to thank you for your presence here: we regard it as a symbolic gesture to which we attach great importance. We also greet you in your capacity and with your responsibilities as Prime Minister of the United Kingdom. Your calm courage and your tenacity are legendary and we

de la Malène

frequently envy our British colleagues who have a head of government such as yourself.

(Applause from certain quarters — Laughter)

We are all aware how much years of socialist rule have cost your country and how difficult the road to recovery now is.

(Mixed reactions)

I mean it quite sincerely when I say that Great Britain is very lucky to have you.

What is unfortunate, Madam, is that Europe has not been quite so lucky. You have come to us empty-handed after the last European Council over which you presided.

Empty handed because you yourself made it that way! Throughout the last two years, at every Council meeting, the first and finest of the European Community's achievements, the common agricultural policy, has been under fire. Community preferences were modified under pressures from yourself, in discussions on Europe the notion of 'just returns', fatal to the Community, has been raised, even though your country had negotiated its entry into the Community twice over . . .

(Applause from certain quarters)

. . . and the common agricultural policy had already been in operation for a long time. You cannot have been taken by surprise.

For more than two years Europe has stagnated. At the very time when clouds loom on the horizon, at the very time when the need is greatest for solidarity amongst the nations of Europe, these endless fruitless discussions, this questioning of Community achievements, undermine the faith of our fellow citizens in the value and in the future of Europe.

Political cooperation will not replace the Community. Why, then, should we be surprised by the wave of pacifism which has spread across the continent? Why should we be surprised that so many young people seek their future, their destiny, their enthusiasm and perhaps even their protection elsewhere when the future of Europe no longer offers them those things?

At a time our friends and neighbours the Poles are living through an appalling tragedy which affects us all, the inadequacy of the voice of Europe and the inadequacy of European unity look starkly plain.

(Applause from various quarters of the centre and right)

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

Mr Blaney. — Madam President, Madam President-in-Office of the European Council, for the record might I first of all say that it is my recollection that this is not the first visit of the President-in-Office of the European Council. I think that honour goes to my countryman Mr Jack Lynch, who visited us at our first meeting after the direct elections to Parliament in July 1979.

In her address, the President-in-Office of the European Council dealt with the depression generally, the economic depression, the ensuing unemployment, particularly amongst our youth, the plight of many of our peripheral regions, and particularly, of course, the cost of the agricultural policy came in for a knocking, though I might put on the record here that its true cost is computed today to be 49% and not the 74% of 12 months ago.

We have had, as one might expect at this particular time, very emotional references, not only by the President-in-Office of the European Council but also by other speakers, to the plight of the people of Poland. Of course, we have had such references to Chile, Nicaragua, El Salvador and Afghanistan, wherever you will — and rightly so. But I as an Irishman, as an Irish Member, am totally disappointed that the President-in-Office should make no reference to the oldest, the longest-running conflict on record in history, to the plight of my country, Ireland, divided, subjugated and occupied as it has been for over 800 years by a member of this Community, a country where we have soldiers wearing the uniform of one Member State in open conflict, in a state of war for the last 10 or 11 years, with the Irish, where we have had over 2 000 deaths during that time and many thousands injured. These are the things that we must concern ourselves with, and it is no good simply taking the view that this is an internal matter and therefore can be put aside. It is a matter for the Council; it is matter for the entire Community; it is something that this Council should see to, and I would ask, that the President bring that message to the Council, that it should try and resolve this issue so that my people and the people of Great Britain may as neighbours and friends contribute the more and the better to the well-being of the entire Community.

(Applause from the extreme left)

Mr Capanna. — *(IT)* Madam President, I have to say in all candour that if this House were a court of law the Prime Minister of England would be guilty of contempt.

Capanna

I think it would be just if Poland returned to freedom, just as I do for Turkey and for Afghanistan. And for exactly the same reasons I say that it would be just if the forces of occupation were withdrawn from Northern Ireland, which has now become Europe's own little Afghanistan.

And I would also like to remind you that the recent decisions taken by the Israeli government with regard to the Golan Heights represent a clear and frightening threat of war.

I believe that the moment has now come for the Ten to follow the courageous example of Mr Papandreou and recognize the PLO as the legitimate representative of the Palestinian people and, by doing so, to show a real spirit of peace on behalf of the European Community.

President. — I call the non-attached Members.

Mr Pשמazoglou. — Madam President, the address by the President of the European Council, the Prime Minister of the United Kingdom, is clear evidence of the importance attached to the increasing responsibility and role of the European Parliament. As a Member from Greece, I wish to express the conviction that today's proceedings will be noted and appreciated by the majority of the Greek people.

(Applause from the European Democratic Group)

The British Presidency has given force, drive and style, mainly to European political cooperation. In particular, I wish to stress the initiatives for opening negotiations designed to limit nuclear weapons in Europe, as well as the initiatives on Afghanistan and the Middle East; although I should also point out the absence of the necessary stand on Cyprus, where the continued Turkish military occupation constitutes a serious and dangerous violation of international order.

(Applause from certain quarters)

However, the political impact of the Community on the grave international developments — and I am now certainly referring to the recent critical events in Poland — could not be secured until and unless decisive progress was realized in the whole network of interdependent decisions which are essential and urgent for the cohesion and effectiveness of the Community as a whole. In this direction, there has been no progress: on the contrary, in the recent European Council there has been an absence of a sense of urgency and of the political willpower necessary for decisive advance in the European Community.

I wish to make three remarks in this connection. First, the economic and social crises — the crisis of grave unemployment and excessive inflation, as well as the

almost zero economic growth in our countries — can be overcome only by common action within the European Community.

Secondly, action by the European Community should be inspired and carried out consistently and effectively by a single voice and a Community approach, as distinct from the arrangements of a loose intergovernmental cooperation. In this connection, I wish to stress the importance of adequately taking into account the particularities, as well as the problems and weaknesses, of the Mediterranean and other relatively weak peripheral member countries. And in saying this I certainly refer to Greece.

The converging specific Greek proposals put forward at various stages to the institutions of the Community by Greek representatives belonging to more than one political party indicate the Greek national support for such action. The Community, as well as all other countries, should become aware of the major significance of overcoming the crisis for such action by balanced growth and political cohesion in the European Community as a whole.

Thirdly, we need action in all these directions for the creation of a new model of democratic society designed to overcome the problems of our age as we approach the final stages of our century and the beginning of the 21st century.

(Applause from the centre and from the right)

Mr Romualdi. — *(IT)* Madam President, Madam President-in-Office, I must of course join with all those who have expressed their satisfaction at the decision of the British Prime Minister to end her half-year of office by meeting this House: a meeting which is of great significance and which cannot fail to inspire hope despite the failure of the Venice Summit and despite the fact that the British Presidency's attempt to give some political life to the Community failed to avoid the same fate. A fate which can be summed up in the fact that this morning the President-in-Office has told us that the London Summit was unable to deal with the main problems of the 30 May mandate, which themselves remain fundamental and beyond the control of those who brought about the situation which, for practical purposes, led to the 30 May mandate: . . .

President. — Mr Romualdi, you have used all the non-attached Members' speaking time.

Mr Romualdi. — . . . I should like to conclude by saying that in the wake of the failure of the London Summit we cannot but fear for the future of Europe: at a time when we are directly threatened by communism, communism which tramples every liberty

Romualdi

but which was applauded this morning in this very chamber; that is what remains as the . . .

(The President did not allow the speaker to continue — protest by Mr Pannella, who hotly challenged the accuracy of measurement of the speaking time)

President. — I call the European Council.

Mrs Thatcher, President-in-Office of the European Council. — Madam President, may I make one thing clear from the very interesting debate that we have had this morning I am here in one capacity and for one purpose only: I am here as President-in-Office of the European Council for the specific purpose of reporting on what took place at the European Council: not to give a speech on matters of my own choice or to give my own opinions: only to report on what occurred at the European Council to the European Parliament.

(Applause from some quarters in the centre and on the right)

Now, clearly there are many things which I could say in answer to some of the points that have been made. Some of them had nothing to do with the meeting of the European Council . . .

(Cries of 'Hear, hear!')

. . . and on the whole, I think it would be better for me to be typically British — that is, calm, firm and controlled, . . .

(Laughter)

. . . and it would be better for us all if I stick to the task which I came to perform.

(Interruption)

Well, some of the comments were made so loudly that I couldn't quite hear what was said.

(Loud laughter)

It has been an honour to come; it is a privilege to be a part of the Community; it is a privilege to serve democracy, and I hope, Madam President, that Members of this distinguished Parliament will just take some account of what I said at the end of my address. Freedom does mean more than freedom to differ. It does mean freedom to go ahead in a positive spirit of cooperation, and I do stress that very much. I, of course, shall return shortly to London and I have listened with great care to the preliminary comments from representatives of the political groups. Lord Carrington, President-in-Office of the Council of Ministers, will be in this Chamber when you continue

to debate tomorrow afternoon, and he will report on developments during the United Kingdom Presidency and on political cooperation. Mr Douglas Hurd will be here today until he takes Question Time this evening, and Mr Nicholas Ridley, President-in-Office of the Budgets Council, is with you most of the week. Now, I stress again, all four of us are glad to play our part in strengthening the working relationship between the institutions of the Community. Each institution has its own role to play, but our basic objectives are the same and I stress again, we must work in harmony.

Finally, Madam President, because I do not wish to run out of time — I believe in keeping to the laws and rules of any institution of which I am a part —

(Applause from the European Democratic Group)

may I say it really has been, not only an interesting experience, but a great privilege and a pleasure to be with you today, and may I express the hope that I shall be here again when the Presidency next falls to the United Kingdom.

(Laughter — Applause from the centre and from the right)

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

Mr Pannella. — *(FR)* Madam President, I would ask you to check the speaking time from the tapes. According to the recording made for the radical radio station we were entitled to another 57 seconds, and you should have known this.

President. — Your group might have had a few seconds left. We shall check.

(The sitting was suspended at 1 p.m. and resumed at 3 p.m.)¹

8. Topical and urgent debate

President. — Pursuant to Rule 48 (2), second subparagraph, of the Rules of Procedure, I have received the following written objections, stating reasons, to the list of subjects for topical and urgent debate tomorrow evening:

- motion by Mr Beazley, on behalf of the European Democratic Group, seeking to include in the debate the motion for a resolution (Doc. 1-814/81) by Mrs Walz and others on energy prices in the horticultural sector and to place it in fourth position on the list, after the motion for a resolution on Cyprus;

¹ *Membership of Parliament: see minutes.*

President

- motion by Mr Boyes and others, seeking to include in the debate the motion for a resolution (Doc. 1-863/81), tabled by Ms Clwyd and others on behalf of the Socialist Group, on Community action in favour of the handicapped.

The vote on these motions will take place without debate.

(...)

(Parliament adopted both motions)

I call Mr Enright.

Mr Enright. — It is very difficult, I admit, Madam President, to decide the actual order of urgent debates, but since the vote on the motion concerning handicapped persons was overwhelmingly in favour, may I suggest that it come first on the list of items to be dealt with by urgent debate?

President. — I am sorry, Mr Enright, but we have voted for it to come at the end of the list. I made it quite clear.

I call Mr Israel.

Mr Israël. — *(FR)* Madam President, ladies and gentlemen, 21 Members of Parliament signed this letter which I have here. The whole world is reeling from the shock, and the events in Poland are a call to the conscience of everyone of us. Against the echo of the jackboots the Poles are appealing to every parliament in the world and here we carry on with our business as if nothing were wrong. Are we waiting for the European Parliament to be the last to respond?

(Applause)

Pursuant to Rule 57 of the Rules of Procedure, we are asking for the interruption of the agenda and the immediate opening of a debate on Poland.

You very politely informed me, Madam President, that Rule 57 did not apply in this instance. It is with a certain amount of sorrow that I must ask you why this Parliament, in the face of such a serious matter, cannot decide to defer until tomorrow afternoon our hallowed Question Time. Since there are no rules on this, Madam President, I do urge you to use your discretionary powers and to include the debate on Poland on our agenda at five o'clock today.

(Applause)

President. — I cannot do such a thing contrary to the Rules of Procedure, especially as we spent a long time discussing the agenda yesterday. It was up to the Members who signed this request today, pursuant to Rule 57, to ask for a debate and an amendment to the agenda yesterday. The matter would have been put to the vote then. The situation in Poland was identical.

I cannot today, in accordance with Rule 57, accede to your request and change the agenda. May I remind the House that there will be an urgent debate on Poland at nine o'clock tomorrow evening and that all the political groups will have an opportunity to speak. It is a mark of democracy to observe parliamentary rules of procedure and I am here to ensure that these democratic rules are observed.

(Applause)

I call Mr Beyer de Ryke.

Mr Beyer de Ryke. — *(FR)* Madam President, I fully appreciate that you are there to maintain the Rules of Procedure and it does you credit, but you have just said that the situation in Poland is the same today as it was yesterday. I do not think so, at least if I can rely on what I have heard on the radio. It has been said — I do not know whether it is true or not — that Soviet aircraft have landed at Warsaw. In my opinion, this is a new factor of extreme importance...

President. — Mr Beyer de Ryke, you are making a speech, not raising a point of order.

I call Mr Pannella.

Mr Pannella. — *(FR)* Madam President, I was one of the 21 Members who signed this document and I just want to say, with a great deal of sorrow and regret, that you are in no way to blame if Parliament is today writing a shameful page in its history. Your interpretation of the Rules of Procedure is correct. We proposed an alteration to the agenda yesterday and Parliament unfortunately rejected it.

The problem in fact is these Rules of Procedure which you all voted for. War could be declared one day and we should not be entitled to discuss it. You voted for these Rules of Procedure, in opposition to us who told you that it was fraught with danger.

9. Votes¹

President. — The next item is voting time. We shall begin with the *Welsh report (Doc. 1-422/81): Community's anti-dumping activities.*

(...)

Paragraph 16 — Amendment No 7

Mr Welsh, rapporteur. — Madam President, this amendment was moved in committee and rejected. As rapporteur therefore I have to be formally against it. Were I not rapporteur, I would vote for it.²

(...)

(Parliament adopted the resolution)

*

* *

President. — We shall now consider the *motion for a resolution (Doc. 1-758/81/rev.) by Mr Prag and others: Committees of Parliament.*

(Parliament adopted the resolution)

This means that the motion for a resolution (Doc. 1-888/81) by Mr Klepsch, Mr Bangemann and Mr de la Malène falls.

I call Mr Enright.

Mr Enright. — I am sorry if I have misunderstood, Madam President, but it did seem to me in this babel and confusion that the roll-call vote was asked for after the vote had been called, in which case it seems to me that it is quite wrong and contrary to the Rules. If that was not the case, I do apologize, but I would ask the House that they in fact keep a bit of order so that we can actually hear what is going on.

*

* *

President. — We shall now consider the *Zagari report (Doc. 1-828/81): Seat of the institutions.*

(...)

Paragraph 1 — Amendments Nos 2, 3 and 5

Mr Zagari, rapporteur. — (IT) I can go along with Amendments Nos 2 and 3 by Mr Fergusson. They make the resolution clearer but do not affect its meaning. On the other hand, I am against Amendment No 5 by Mr Klepsch because I do not think it is right for Parliament to make such a statement. In the first place, as I have already explained, the action by the Luxembourg Government has no effect concerning suspension. Secondly — and this is the more important reason in my view — we can in no way allow the activities of Parliament to be hampered, or even blocked, simply because legal action is brought.

President. — I call Mr Klepsch.

Mr Klepsch. — On behalf of the group I withdraw Amendment No 5.

(...)

President. — Explanations of vote may now be given.

Mr Estgen. — (FR) President, ladies and gentlemen, I find myself compelled to vote against this resolution for the following reasons.

First of all, paragraph 2 of the resolution confirms the content of the resolution of 7 July 1981, against which I also voted.

Is this not, ladies and gentlemen an indiscretion, indeed, an insult to the highest judicial authority in our Community, and also to the opposing party in this House, which happens to be the smallest partner in our Community?

The fact is that respect for the most elementary democratic conventions would require our Parliament, now that it is party to a lawsuit, to abstain from any action likely to prejudice the outcome of the suit, rather than to add new facts to the case. Such an insult makes the institutional conflict between the Parliament and the Council even more bitter but particularly after Lord Carrington's statement in this Chamber — a statement which could not have been more formal, more solemn or more plain — that the decision taken at Maastricht to maintain the status quo was taken in the exercise of governmental sovereignty and of the Council's exclusive competence as regards the question of the seat of this House.

As regards the Zagari resolution it is now for the court to decide, and not Parliament. We were elected with a mandate and an obligation to exercise our prerogatives within the legal framework of the Treaties and of the laws passed to implement them. I therefore

¹ The report of proceedings includes only those parts of the vote which gave rise to speeches. For a detailed account of the voting, refer to the minutes.

² The rapporteur was also against Amendments Nos 1, 2, 5 and 6.

Estgen

consider that this resolution is not only pointless, since it contains nothing new, but dangerous and likely to damage the prestige of this House.

Mr Fischbach. — (*FR*) Madam President, ladies and gentlemen, the reason I find it quite impossible to support the present motion for resolution is that when we discussed the Zagari report on the seat of the Community institutions — particularly the European Parliament — in July last year I myself moved the inadmissibility of the item and on my own behalf and on behalf of all my colleagues from Luxembourg, I challenged formally the authority of this Parliament to deal with a question which the Treaties quite clearly and explicitly leave to the governments of Member States. The majority of this House, by voting in July last, unhesitatingly put itself outside the law of our Community as it derives from the Treaties, although due warning was given of the serious consequences which such a decision could have on Parliament's own institutional role, by which I mean its legitimate ambitions for a greater part in the legislative process.

In addition there is the highly regrettable withdrawal of the amendment tabled by my group, which sought to delay the final drafting of the report on the follow-up to paragraph 3 c) of the resolution of July until after the Court has given a ruling in the case brought by the Grand Duchy of Luxembourg.

Parliament is thus preparing to endorse a flagrant contradiction in the fact that the motion for a resolution before us, although it takes into account the case being brought by the Luxembourg Government, takes no account of the consequences of that action on this House, particularly as regards its own behaviour over the next few months. By acting in this way Parliament is flouting the basic rules and conventions of every democratic State, which would have left to the affair sub judice until such time as judgement is given.

These are the reasons, Madam President, ladies and gentlemen why, I have no alternative but to vote against this motion for resolution, just as I voted against that of 7 July 1981 on the seat of the institutions of the European Community.

Mr Abens. — (*FR*) Madam President I support wholeheartedly the statements made by my colleagues Mr Estgen and Mr Fischbach; indeed I voted against most of the amendments. I shall also vote against the substantive text of the Zagari resolution, for the following reasons.

Although the resolution of 7 July called for a report to be submitted before the end of 1981, we should recall that one further and important development has taken place in this affair. That development was the appeal by the Luxembourg government to the European Court of Justice. I consider that it is essential that we

maintain good relations between Community Member States and institutions, and until such time as the Court gives judgement, all action by this Parliament should be suspended. This is all the more the case since the ten governments agree with Luxembourg on the question of the seat and the places of work.

What is more, millions of francs are being spent to find solutions to the problems which will be set by implementation of the resolution of 7 July. If the Court announce the resolution they will probably be so many million francs wasted.

Those, Madam President, are the two new reasons why I think this resolution is contrary to good relations within the Community, contrary to good house-keeping and, finally, contrary to the cause of unification, since it defies the legitimate and legally recognized interests of a Member State.

Mr Mart. — (*FR*) Madam President, let me explain my position on the Zagari report, which in the debate of 7 July last I described as a con-trick, aimed firstly at the European Parliament and secondly at European public opinion.

This report would have one believe that we are Members of Parliament seeking the best possible working of our House. The truth is that this report mainly seeks to cater for the personal convenience of the majority of Members without any regard to the material consequences, the costs of which will be borne by the European taxpayer. What the report has failed to do is study which is the least costly working place for this Parliament. That, I believe, is the essential consideration which must take priority over all others. I am delighted to have been a member of the Committee on Budgetary Control, which at its meeting on 4 December, when considering the Price report on the accommodation policy of the Community institutions, accepted a motion calling on its chairman to have our President hold an in-depth enquiry into the least costly working place. Such an enquiry should be carried out by the Court of Auditors. That, at least, is an honest initiative which is aimed first of all at giving impartial advice to our Parliament on all the material facts, and it is in the interest of Europe. I should like to take this opportunity of offering my thanks once again to the Chairman of the Committee, Mr Aigner, and to the majority of its members who accepted the logic of this. I congratulate them once again on their intellectual honesty. For months I have been fighting for truthfulness of this kind, for it is only truthfulness which will show us a just and appropriate way forward.

Those are the reasons why I voted against the Zagari report and why I shall continue to vote against it: it does not respect — it does not even consider — the arguments which it has been my pleasure and my duty to put to you.

Mart

Long live Europe, but an honest Europe!

(Parliament adopted the resolution)

President. — We shall now consider the *second Cohen report (Doc. 1-817/81): Exceptional food aid to the least developed countries.*

Before we move on to the vote, I would point out that the motion states that Parliament

Is of the opinion that no special regulation is needed . . .
for exceptional food aid

and that it

Considers, under these circumstances, that it must
abstain from delivering an opinion on the content of the
proposal for a regulation.

I would also point out that, pursuant to the Rules for Procedure, we must first vote on the text to which the report refers — which in this instance is the proposal for a Council regulation on exceptional food aid to the least developed countries — and then on the motion for a resolution.

To avoid any confusion over the voting, I would rather the rapporteur outlined the committee's ideas on this matter.

I call the rapporteur.

Mr Cohen, rapporteur. — *(NL)* Madam President, thank you very much for this introduction. You have drawn a very clear picture of the problem confronting us. I think we are in an absurd situation — and even the Rules of Procedure force us to commit such an absurdity — in that we are first expected to vote on the Regulation and then on a resolution which calls on us to abstain from voting on the Regulation. Thus I propose that we vote on the resolution. In this way we will have implicitly issued an opinion on the matter; the Council can go its own way, the Commission can go its own way, but I myself have no wish to appear ridiculous. Thus I fully agree with your proposal. Let us vote on the resolution and let us leave the Regulation as it stands.

President. — I am sorry, Mr Cohen, but your suggestion cannot be taken up. From the procedural point of view, the only possibility is to have a vote on admissibility regarding the proposal for a regulation, in accordance with Rule 84.

Mr Cohen, rapporteur. — *(NL)* Indeed, Madam President, that is the second possibility. I would have preferred the first possibility which has just been mooted, but if this seems to be the only option I am glad to accept it. Let us first vote on inadmissibility

and then, depending on the outcome of this vote, on my report.

President. — I call Sir James Scott-Hopkins.

Sir James Scott-Hopkins. — I would have thought, Madam President, in these circumstances that if the House is going to decide that it doesn't want the regulation, the answer is to start the conciliation procedure which means that before very long it will send it back to committee and we will have the conciliation procedure with the Council. That would seem to be the obvious solution now — we don't accept it and, therefore, we must try to get the Commission to change it. The only way you can do that is by sending it back and having another word with them. Otherwise we shall just pass it.

President. — I call the Commission.

Mr Pisani, Member of the Commission. — *(FR)* All I want to say is that a decision must be taken one way or another as regards the regulation. If there is no decision, the procedure falters and the aid cannot be used. In the circumstances, a negative vote is better than no vote at all. That is why I am asking Parliament to be good enough to take a decision on the regulation as it stands.

President. — I call Mr Jackson.

Mr Christopher Jackson. — Madam President, since in the circumstances it is very possible that if we act incorrectly this aid will be lost, may I suggest that the House vote against the Commission's proposal for a regulation, but then vote in favour of the motion for a resolution contained in the Cohen report? In this way, we could discharge our duty according to the Treaty and matters could proceed. Our position on the matter would, however, be perfectly plain.

President. — This procedure is quite feasible and correct as regards the Rules of Procedure. I should just like to know whether in the circumstances, in view of your remarks, the request concerning admissibility still stands.

I call the rapporteur.

Mr Cohen, rapporteur. — *(NL)* Yes, Madam President, I do believe that this is the most appropriate procedure. Let us first vote on inadmissibility. This is a formal proposal on my part, and afterwards we can vote on my resolution. Once again I would like to make it clear that this does not mean that the

Cohen

40 million cannot be spent. Parliament will then have issued an opinion. We do not want this Regulation again, Mr Scott-Hopkins, modified or otherwise, we do not want the Regulation at all. This is the heart of the matter, and so we do not want to vote for or against it. This is an independent act by Parliament which Parliament is entitled to do, and the Council can then do precisely as it pleases. Thus if we first vote on to inadmissibility and then on the resolution, I think that the matter will be resolved to the satisfaction of the Commission, the Council and Parliament.

President. — I call Mr Denis.

Mr Denis. — (FR) Madam President, when we discussed this matter in the Committee on Development and Cooperation we were aware that it was the only concrete action that had emerged after the conference on the least developed countries. It has already been held up for procedural reasons and I feel it is an alarming state of affairs, on account of the authority of what we can do here as well, that questions of form and procedure like this one can cloud the real issue, which is that urgent action is needed and that we are at the end of the year and if we do not take an immediate decision heaven knows when anything will be decided.

President. — I call the Commission.

Mr Pisani, Member of the Commission. — (FR) Madam President, I am sorry that the question of inadmissibility has been raised, since if it is carried it could have the adverse effects which have just been stated. In the circumstances, I really do urge Parliament to reject the motion, in view of the fact that it will not change the Commission's position which is that the procedure which has been used is not the most satisfactory one. In our view, therefore, Parliament really ought to reject the motion.

President. — I call Mrs Focke.

Mrs Focke. — (DE) Madam President, for the benefit of those who are now justifiably confused I should like to explain clearly what this *question préalable* is all about. It means that Parliament decides not to deal with this regulation. Ladies and gentlemen, this is a logical stance. In spite of Mr Denis' fears, therefore, nothing is going to be held up and nothing is going to become impossible.

President. — I call the Council.

Mr Hurd, President-in-Office of the Council. — I would simply like, Madam President, if this is not

thought inappropriate, to reinforce the appeal made by Mr Pisani a few minutes ago. The Council has attached very great importance to this proposal. As I have already indicated, it does seem to us a test of the ability of the institutions of the Community to act swiftly in case of urgent need and that is why we have asked Parliament formally for an urgent opinion.

I respect the sincerity of those who have put forward other constitutional arguments for going back and discussing the constitutional principles involved but I must say that I think in the outside world where the problems of world hunger are clearly understood and the constitutional procedures are not clearly understood, it would be open to great misinterpretation if there were to be delay on this matter at the instance of the Parliament.

(Applause)

President. — I call Mr Enright.

Mr Enright. — Madam President, that seems to me to be a gross piece of blackmail by the Council and utterly unworthy. The Council has the means at its disposal to solve this matter very quickly and could have done so. I think it quite dreadful of Council to get up and make that sort of statement.

President. — I must say that I am very surprised at your remarks, Mr Enright. The problem here is a matter of interpretation in the light of our new Rules of Procedure. With the old Rules of Procedure the problem never arose before because we always voted on the motion for a resolution before the proposal for a regulation. Things were straightforward. Now, we have already had three of four specific instances where there has been some contradiction between the regulation and the resolution. One has been adopted while the other has been rejected and we end up not knowing whether the vote is valid or not. We have put the matter to the Committee on the Rules of Procedure and Petitions. We have also put the matter to the Council. This is an institutional problem which is not at all easy and we are far from reaching a solution. The Council has acted very well in my opinion. I also want to thank Mr Pisani for drawing our attention to this matter which is currently being considered and for which no solution has as yet been found.

Also, Mr Hurd did not say 'take it or leave it'. This is not the issue at all. Parliament is quite free to adopt or to reject this proposal for a regulation but — as Mr Pisani and Mr Hurd both said — Parliament's opinion, be it favourable or unfavourable, must be given for institutional reasons.

Both the Council and the Commission have acted responsibly in my opinion and have outlined the

President

problem — without there being any question of blackmail — and have then given Parliament the opportunity to state its views, on the matter of inadmissibility as well if Mr Cohen still moves that the item is inadmissible.

I call Mr Cohen.

Mr Cohen, rapporteur. — (NL) Madam President, I would like to comment on a number of points raised both by the Commission, the Council and yourself. Naturally, this is not just a question of the Parliament's Rules of Procedure. We have created this additional difficulty for ourselves because of the way we drafted the Rules of Procedure, but the issue at stake here is naturally far more important. If Parliament says that it does not wish to deal with a specific regulation at a particular moment, that it does not wish to express either approval or disapproval, then the question is whether Parliament has issued an opinion. Naturally this is the case, but the Council and Commission want to go a lot further. The Council and Commission act as though we already had legislative powers — and naturally I am very happy about this — if only it were true!

We can provisionally abstain from passing judgement on a Regulation itself, even if we agree with the content of the Regulation as such. This is quite sufficient and this was the purpose of my resolution. This procedure allows the Commission and the Council — unless they implicitly assume that we really do have legislative powers — to do precisely what they wish to do and also whatever must be done. Thus I uphold my proposal that we vote on inadmissibility, although I see that the confusion is gradually becoming so great that many of us no longer know what way to vote.

President. — I call Mr Price.

Mr Price. — Madam President, there seems to be a degree of confusion because what is being proposed is, as I understand it, to invoke Rule 84 in order to move the inadmissibility of the matter. Yet in fact nothing that Mr Cohen has said raised the issue of admissibility. And the opinion in the motion for resolution before us from the committee for which he is rapporteur, tell us that this particular regulation is unnecessary. The fact that something may be unnecessary does not make it inadmissible. The House has not heard a single argument as to why this should be declared inadmissible. And in the light of that, Madam President unless there is some very substantial argument in favour of inadmissibility I would ask the House to reject this application and to proceed to do its duty by doing no more and no less than delivering its opinion. And if we do proceed with the vote on the motion for a resolution, Madam President, I would ask for paragraph 13 to be put to the vote separately.

President. — Very good, Mr Price. I note your request concerning Article 13.

We shall now vote on the motion of inadmissibility. I must point out that if it is carried, no opinion can be forwarded to the Council as we shall not have voted on the proposal for a regulation.

(Parliament rejected the motion of inadmissibility and then the proposal for a regulation)

I call Mr Patterson.

Mr Patterson. — Having now rejected the regulation, the correct thing to do is to refer the motion for a resolution back to committee so that under the terms of our Rules we do not deliver an opinion. Could I therefore now formally move the reference back?

President. — No, Mr Patterson. We have already voted on several occasions on a motion for a resolution after a proposal for a regulation had been rejected. It is an expression of opinion which could be useful to the Commission.

Mr Patterson. — Madam President, I have a right under Rule 85 which says that referral back to committee may be requested by any Member at any time. At any time. Particularly between the vote on the regulation itself and the vote on the opinion of the committee. That is what the intention of our Rules is, and I beg of you, Madam President, to put the question of referral back to committee now.

(Parliament rejected the request and adopted the resolution)

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President. — We shall now consider the *Clément report (Doc. 1-824/81): ACP-EEC work in 1981.*

(...)

Paragraph 7 — Amendments Nos 1, 2 and 3

Mr Clément, rapporteur. — (FR) Speaking personally, Madam President, I am in favour of the three amendments because they reintroduce my original version in a different form, but a majority on the committee voted for a different version. I shall leave it up to the House to decide.

(...)

After paragraph 7 — Amendment No 4

Mr Clément, rapporteur. — (FR) I shall repeat what I said before, Madam President, I shall let the House decide.

(...)

Paragraph 10 — Amendment No 5

Mr Clément, rapporteur. — (FR) Again, I shall let the House decide.

(...)

President. — Explanations of vote may now be given.

Mr Denis. — (FR) Madam President, we voted in favour of the resolution which was put to the consultative assembly by Ambassador Insanally. We felt that this resolution adopted in Luxembourg in September represented definite progress in the quest for positive cooperation to benefit the people of both the EEC and the ACP countries, because we need to move towards wider-ranging cooperation with a fresh approach and to tackle the obstacles which stand in the way, as we have seen quite clearly here. This is the thrust of the Insanally resolution. We were entitled to hope that it would mark our commitment here as well. As far as we are concerned, we shall carry on along the same lines.

As for the draft before us, it occupies a quite different level, way beyond the confines of the Community. It is bound to be viewed with some bitterness by the sixty-odd countries concerned. At the same time, we have noted how the voting went on our amendments. In view of all this, the French Members of the Communist and Allies Group intend to abstain.

(Parliament adopted the resolution)

10. Commission statement

President. — The next item is the statement by Mr Andriessen, Member of the Commission, on the conciliation procedure.

I call the Commission.

Mr Andriessen, Member of the Commission. — (NL) Madam President, I am particularly glad to be able to inform Parliament that the Commission, at this morning's meeting here in Strasbourg and during the plenary sitting of Parliament — I would like to stress these two aspects, Madam President — has taken a decision on a proposal addressed to the Parliament

and the Council concerning the expansion and improvement of the existing conciliation procedure.

Madam President, the Commission's proposal — which I gather has already been submitted to the Parliament in writing and which is also to be submitted to the Council in the very near future — takes the form of a new joint declaration which is to replace the well-known 1975 Declaration of the three institutions. Thus, this declaration contains a new interinstitutional agreement between the Council, Parliament and the Commission. Madam President, with this proposal, the Commission wishes to fulfil the promise it made in its October document concerning inter-institutional relationships and which was very recently repeated during the tripartite discussions of 17 November between Parliament, Council and Commission. Our proposal relates both to the areas of application and to the conciliation procedure. Firstly, the area of application: up to now the conciliation procedure has been confined to proposals which involve substantial financial consequences. The Commission now proposes that the conciliation procedure extended in principle to all important proposals of a legislative nature. In practice this means that whenever Parliament or the Commission request consultation in respect of particular proposals, this conciliation procedure will come into play. I am convinced, Madam President that Parliament will acquit itself well and can assure you that this also goes for the Commission. Here I think that the Commission has given full consideration to the requests expressed by Parliament in the July part-session and during the meeting between Council and Parliament. So much for the content of the proposal.

As regards the procedure, the Commission considers it extremely important to ensure that conciliation takes place at a time when the Council's standpoint is not yet finalized. In other words: the Commission believes that the conciliation procedure must involve as open as possible a discussion between the Council and Parliament. Here — if I may say so again — the Commission hopes to acquit itself well and to play a very active role. To this end we propose that, in principle, the conciliation procedure should take place in two phases: an initial phase, in which, in the Commission's opinion, various options should still remain open. Besides we want to avoid a rigid procedure. To this end the proposal specifies that the three representatives of the institutions may at any time submit joint proposals to amend this procedure in the interests of flexibility and also in order to avoid unnecessary delays in decision-making. Finally, after these two stages or after any amendments which may have been proposed by the three chairmen, a definite time limit must be laid down within which the Parliament may issue another opinion or the Council can make a decision.

To conclude, Madam President — and we are concerned here with the quickest way to make a final decision on the basis of this proposal — the Commission would like the proposal to be discussed directly at

Andriessen

political level between the three institutions, so that its political dimension can be given due consideration straight away. This will encourage a rapid decision and ensure that the political implications of the proposal are given adequate consideration.

Madam President, the Commission believes that in this way Parliament's position in the legislative process can be strengthened and that it will gain a genuine way in the law-making procedure, thus realizing an objective it has rightly pursued. In this way we hope to strengthen the decision-making role of Parliament as much as possible in the context of the existing Treaties.

President. — I call the European Democratic Group.

Sir James Scott-Hopkins. — On my own behalf, and I am sure on behalf of my group, I would like to thank the Commissioner for the statement that he has made. Unless I am very much mistaken he has increased the ability of this House to influence events of importance within the Community and that is of great importance to myself and my honourable friends. Obviously we will need to study that statement, very clear though it was, to make quite certain that we understand the implications of everything that he has said.

I am not going to go into the details of what he said — that would be a great mistake now — but I welcome what he has done and I welcome the way the Commission are doing what they can to further the Parliament's aims of bringing its full influence to bear on these important issues. We have felt in the past that the conciliation procedure has not been working as well as it should have done, nor has it been working in all the areas where it should have worked. The idea of having two bites at the cherry is, I think, a very excellent one — we will have to examine it and do the very best we can to make it really work properly.

So on behalf of myself and my group I thank him for the statement that he has made this afternoon.

President. — I call Mr Jackson.

Mr Christopher Jackson. — On a point of order, Madam President. It is simply to ask if between you and the Commission arrangements could be made for that statement to be circulated to Members in all the languages rather than wait for the debates to be published in due course.

President. — Very well, Mr Jackson, that will be done very quickly. It will appear in the minutes in any case, but it will also be circulated as soon as possible.

I call Sir James Scott-Hopkins.

Sir James Scott-Hopkins. — I really am absolutely astonished, Madam President, and I do not want to make too much of this, but may I draw your attention to Bulletin No 50 of this House which is an official bulletin of the Parliament? I have never yet known it to be used by any national government to explain their national policies. This is exactly what has happened in this one. A memorandum submitted by the French Government, for some staggering reason pages and pages of it, has been included here in this bulletin of this House. With respect, Madam President, may I draw your attention to this and suggest that it is totally and utterly out of order?

President. — The documents were officially forwarded to Parliament, Sir James, and it is for this reason that they are included in the Bulletin for information purposes. Documents of this kind are often circulated when they are officially forwarded to Parliament.

11. *North-South Dialogue (continuation)*

President. — The next item is the continuation of the debate on the oral question (Doc. 1-966/81) by Mr Poniatowski on prospects for the North-South dialogue, particularly after the Cancún conference.

I call the Socialist Group.

Mrs Focke. — (*DE*) Madam President, ladies and gentlemen, with all these interruptions, it is not all together easy to find the thread of the argument again. I should, however, like to say very clearly and categorically that I was very pleased at the news of closer relations between the European Council and this House, although I regret the fact that this should be happening at a time when the Community is in such a bad way and at a time when it is really so essential that we should be in good form, not least because of the subject we are again dealing with today — North-South relations, particularly after the Cancún meeting.

14 representatives of developing countries and 14 heads of state and government of industrialized countries met in Cancún with the aim neither of entering into negotiations nor of reaching decisions. There could of course have been more specific guidelines for decisions to be taken at a different venue. But at least there was a genuine dialogue, of a kind we have unfortunately not seen for some considerable time on a global scale. The meeting in the Mexican resort of Cancún has made it possible for a really wide-ranging dialogue to be resumed and global negotiations to be entered into, with special reference to the problems which are so vital from our point of view — food, energy, trade, raw materials and finance.

Focke

The Cancún meeting was characterized by very frank and spontaneous discussions without any lengthy reading from prepared manuscripts. The participants were prepared to listen and in fact achieved a high level of agreement on such things as what this House regards as the absolute priority, i.e. the need to use food aid as no more than a stop-gap measure to enable the developing countries to develop their own agriculture and become self-sufficient. There can be no doubt that food aid is still an essential element, but we must hope that, slowly but surely, it will take more and more of a back seat. It is in a way a pity that we have to be pleased at what came out of the Cancún meeting, because the fact is, ladies and gentlemen, that it is at the moment a very real achievement even to have opened the door a little wider and to have got the dialogue going again. The subject proper is being pushed too far into the background, and unfortunately the European Council had as good as nothing to say on the subject this morning. I believe that the next European Council will have to give absolute pride of place to this major question of the late 20th century. Because of the interdependence of the developing countries and our own countries, a very great deal depends on this question if we are to go beyond the mere slogan that North-South relations are just as important as regards peace in the world as East-West relations.

I should like to urge, ladies and gentlemen, that we devote special attention to what measures should be taken following the Cancún conference, because these are at least as important as the fact that the meeting took place at all — which, incidentally, was the idea of Mr Willy Brandt and his North-South Commission. The outcome of the meeting contains a lot of points which must be taken up now — things like an immediate programme — apart, of course, from the global negotiations — and special measures for the least developed countries. That is something we have talked about on a number of occasions in this House. What we need now is action, and I am pleased that the Council and the Commission said today that the Council would be endeavouring to take the necessary steps on the Community's behalf to ensure that global negotiations can begin. I would beg you not to relent in your endeavours, even should it not prove possible to bring them to a successful conclusion before Christmas. Everything depends now on what part the European Community is going to play in all this. We shall have to do everything in our power to persuade a major, hesitating ally of ours to accept the role it must play in the North-South Dialogue.

I should also like to give special prominence to those things the European Community will have to do off its own bat without waiting to see whether global negotiations get under way. In particular, we must at long last take our financial obligations much more seriously than we have hitherto. Ladies and gentlemen, as we saw very recently at the Paris conference on the least developed countries and shortly before that in

Nairobi with regard to the developing countries' energy problems, there is no point at all in engaging in the finest possible negotiations and passing the finest possible resolutions if there is not, at the same time, an increasing willingness of the part of the Community and its Member States to simply pay more for this cooperation. It is high time we stopped making our willingness to do so dependent on the economic situation in our countries. That was one of the main reasons why Willy Brandt put forward the important proposal for automatic financing, and we have asked the Commission to produce studies on this question, to put forward proposals and to suggest alternatives. Unfortunately, we are still awaiting the Commission's response.

Of course, another thing of special importance is the need for us to come up with a constructive proposal for the establishment of an energy branch of the Investment Bank. We can also do more ourselves to tackle the energy problems facing the developing countries if we simply make funds available in our budget, and I expect the Commission to bear in mind both the non-associated countries and the ACP states the next time round. We cannot, after all, expect more importance to be attached to this priority sector if we fail to come up with the necessary accompanying measures. Of course, another important thing is to take the necessary financial steps to back up the high priority we attach to agricultural development. What about the European Community contributing to the International Fund for Agricultural Development? I would ask the Commission to earmark a substantial amount for this purpose in its next draft budget so that Parliament can lend its support. But of course we need additional funds too, and I stress the word 'additional', so that developing countries which are that way inclined can develop a food strategy. It is simply not enough to point out over and over again that there is a fund which they can benefit from. We must make at least a small gesture to make it easier for them to choose between several priorities at one and the same time, and make our know-how available to them.

Ladies and gentlemen, what is needed of course is a more coherent link in the Community between agricultural and trade policy on the one hand and development policy on the other, as we have already heard this morning. I should like to call in particular on the Commission and the Council to do more than they have so far to bring about a greater degree of coherence, concentrating on the specific subjects of GATT, general tariff preferences and the Multifibre Arrangement. This is, however, all bound up with the reform of the common agricultural policy and the need to open up our markets, at least to the least developed countries.

In conclusion, I should like to remind you that food aid is, and will remain, an important matter. But — and here I should like to take up a point which has

Focke

already been made in the course of this debate — it is simply not enough for the Commission to come up with a minor proposal for additional food aid from the savings made in 1981 as much as 15 months after we approved the Ferrero Resolution here in this House, and at a time when food aid itself is unfortunately in urgent need of better management and reform. It is up to the Commission to come up with more comprehensive plans for what it is aiming at in general so that we can formulate a properly scheduled plan for tackling the problem of world hunger within the context of North-South relations, and make sure that this is made a central element at the next meeting of the European Council.

It is not enough simply to carry on doing what we have always done at our usual pace. The problems are becoming more and more urgent, but budgetary progress is hesitant and the bureaucratic mills continue to grind slow. It would appear, unfortunately, that the Council only has one thing, one remedy, in its head at the moment, and that is the need to make savings. Small wonder, then, that this House is becoming restive and that we are being presented with what are in some respects extreme proposals whose attitude is not particularly helpful and, on the whole, not very practicable. What I have had to say was intended as a very emphatic word of warning. The real stocktaking exercise will take place at the beginning of 1982 when we shall have a full-dress debate on what has become of our suggestions on how to tackle the problem of world hunger in the context of the North-South dialogue.

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

Mr Wawrzik. — (*DE*) Madam President, ladies and gentlemen, the European Parliament has staged a number of major debates in which it has spelt out its attitude on development policy in the form of the report on world hunger and opinions on such things as the Lomé Convention, cooperation with the non-associated countries and food aid. The programmes and the proposals presented in this House apply not only to the European Community, but undoubtedly set an example for the countries outside the Community.

The question to what extent the Cancún Conference has helped or hindered the implementation of our policies and of what good came out of the conference itself depends on what standpoint you are going to adopt. Some have hailed it as a successful outcome, while others regard the results of the conference as at least better than nothing. I should just like to make one point right at the outset, and that is that the Cancún Conference was certainly not a pukka summit. Those who criticize the Americans for not throwing themselves wholeheartedly and without prejudice into the mainstream of international development policy

should not ignore the fact that the Soviet Union was not represented at the meeting, although — in view of the fact that the Soviet Union earmarks only an absurd proportion of its gross national product for development policy, and allocates two-thirds of this meagre 0.14% to Cuba, Vietnam and North Korea alone — the presence of the Soviet Union would have been unlikely to have made any major difference from the financial point of view.

But the real point of the conferences, to my mind at least, is not just the need to provide more material resources or to distribute the available resources in a more equitable fashion. The aim must also be induce more growth in the developing countries, and that will require the assistance of all those countries which have already attained a particular level of development. That is why I regret that the Soviet Union stayed away from this conference. If we Europeans were to take note and approve of the Soviet Union's contention that it would not be participating because the Cancún Conference was merely a manifestation of neocolonialism and an attempt to stabilize the system of exploitation, we ought not to have attended the conference either.

The fact is then that Cancún can hardly be regarded as a summit conference in the true sense of the word. If there was any tangible outcome at all, then perhaps just the growing willingness on the part of the United States to enter into global negotiations, although I am not convinced myself — and we shall certainly be discussing this point in the committee — that global negotiations are really the best way of making genuine, rapid and unbureaucratic progress. The only conclusion I can draw from this conference is that, as before, there is still a lot to be done. It is up to the European Community to mobilize and make available the reserves we have at our disposal, and we must bring our influence to bear on the international scene to bring into being a more effective worldwide common policy on development and cooperation.

IN THE CHAIR: MR VANDEWIELE

Vice-President

President. — I call the European Democratic Group.

Mr Christopher Jackson. — Mr President, it is disappointing that, as at Cancún where time was also short, our agenda today gives only a few brief minutes to consideration of North-South issues as a whole. I will therefore confine myself to two points: the first concerning the reasons why we believe the North-South Dialogue is so important to us in the

Jackson

Community, and the second concerning the European Community's role in the Dialogue.

Like many colleagues, my group believes that the North-South issues are immensely important, and we are clear in our support of the North-South Dialogue, which has been given such a boost by the Brandt report leading to the Cancún meeting. We are clear in this support, however, for reasons which are a mixture of practical self-interest for Europe on the one hand and a humanitarian desire to help relieve suffering and want on the other.

It is important to distinguish three separate strands of our concern. First, there can be no doubt at all of the substantial interdependence in trade and resources between North and South. We depend on the South not only for oil but for a host of other raw materials from copper and rubber to uranium — and also for enormous trade. How many Europeans realize that the European Community's trade in terms of exports with developing countries is three times our trade with the United States of America? Industries and jobs and families in Europe depend on political stability and economic progress in those developing countries, which account for no less than three-quarters of the world's population.

Next, we are also an interested party in the battle of East-West ideology, seeking to preserve and encourage democracy in the face of the strategic moves of the USSR in the South, moves which are themselves a threat to world stability.

Last but not least, we are moved by a moral imperative which calls us to help the hundreds of millions of human beings existing in absolute poverty.

To all of us, therefore, Cancún and the North-South Dialogue is directly relevant. We welcome Cancún because the problems are great and leaders on both sides — both North and South — must each understand the other's problems. For the same reason we welcome the United Nations so-called 'global' negotiations, even though we do not expect too much from the negotiations as such. Greater understanding will have a merit of its own, while trade, energy and world financing certainly merit global discussion. In our belief, however, much of the most valuable work will be strictly practical and starting from a more limited base.

This brings me to my second main point. The European Community has an enormous amount to offer in the North-South Dialogue. We are the largest trading group in the world. The European Community, together with its Member States, is the biggest provider of aid in the world. With its ACP experience, its innovations such as Stabex, its historical links — the Community itself, of course, being totally free from colonialism — with many less-developed countries, we have probably greater experience than any other

grouping in the North. If we cannot afford major additional transfers of funds — and many would doubt the value of such transfers even if the funds were available — we in the European Community can, at the same time, increase the effectiveness of our help here and now. I want to see the European Community in the North-South Dialogue, through the Commission and through the Council, encouraging freer trade, encouraging industrial investment in developing countries, and in the light of Cancún, encouraging a more coordinated approach by the countries of the North to the needs of the South.

President. — I call the Communist and Allies Group.

Mr Ferrero. — (*IT*) Mr President, we shall be voting in favour of the resolution which has been submitted by Mr Poniatowski as Chairman of the Committee on Development and Cooperation, as indeed we shall be voting for the other resolutions which will be discussed later although, because time is short, we shall not be speaking on them.

I propose, Mr President, to take the opportunity of this debate about Cancún to outline briefly and in terms which are necessarily general the views held by the Italian members of the Communist and Allies Group on the tangled problems which for the sake of brevity I too will call 'North-South relations'.

Of Cancún it was said — here, by Mr Poniatowski — that it was a useful step forward even so, and that is true, just as it is also true that the outcome, though worse than disappointing, will — I believe — be regarded by the whole world as inadequate, precisely because of the seriousness of the situation in which we find ourselves. I do not believe there is any point in repeating yet again that the situation really is serious and — what is worse — becoming more so. To give you just one indicator of the seriousness of the situation I shall give you one figure: in 1950 the ratio of average life expectancy between industrialized countries and developing countries was 10:1; in 1980 that ratio had, according to the OECD, risen to 14:1, and that is after the two decades of development called for by the United Nations in 1960.

How can we avoid thinking under such circumstances of the endless list of United Nations meetings, conventions and general assemblies in which the 'North-South Dialogue' has been punctuated over the years by referrals, by failure to make progress, by the abnegation of undertakings given and the violation of solemn agreements? How can we fail to think of the 500 000 million dollars spent on armaments in 1980 and the strangely identical figure of 500 000 million dollars debt reached by the former colonies in 1980?

Ferrero

I believe that Mr Pisani was quite right this morning to stress the risk of the present international situation of the North-South Dialogue becoming of secondary significance. I too would like to dwell on this point for one moment, because it is fundamental and crucial. Too many people — this at least is the impression I get — nowadays regard the age of *détente* as over, and likewise regard the next few years as a period of increased tension in international relations between East and West. The volume of incendiary material accumulated is of course enormous — we see this every day — and tension is very high, despite the ray of hope which appeared with the negotiations which began a few days ago.

And yet Mr Poniowski is right, and Mr Pisani is right: it would be an act of irresponsible and unforgivable shortsightedness to think that the North-South split was any less menacing and any less obvious than East-West tension. Perhaps North-South tension is less evident, less dramatic, for us at least, although it may not appear so to the inhabitants of Bangladesh with their 89 dollars average annual per capita income; it is certainly no less explosive and no less critical than East-West tension.

But if that is the way things are, I believe that even after Cancún we must set ourselves an objective, clearly and forcefully. As Europe has without doubt contributed to that ray of hope represented by the Soviet-American negotiations — contributed primarily, I must say, by the extraordinary popular movements we have seen over the past few months — it is essential that Europe, through a strong political and diplomatic initiative and above all through an awareness and a reaction in keeping with the faith which has been placed in us — that Europe, led by the Community, makes a decisive contribution to reviving the North-South Dialogue which threatens after the bright glow of Cancún to return to obscurity.

What we have here — and I would like to stress this point — is first and foremost a problem which I believe is one of creating awareness in public opinion, in Western society and in the political powerhouses of our own countries. Of course, changing public attitudes is not an overnight matter — most of us realize that —, not a matter for the mass media unless it is ready made with real facts, hard facts. I do not wish to digress now into the question, important though it is, of facts. I will simply draw your attention to one point without leaving the main topic of the debate — a point which arises broadly from the question, the vexed question, of aid and of food aid in particular.

It is my belief that aid, though its intentions are honourable, is in fact fundamentally demagogic when it is not a downright disguise for maintaining the current dependent status of the underdeveloped countries. The fact nevertheless remains that over the next few years and decades — at least until the end of this century — the fight against hunger will mean that aid,

including food aid, must continue and increase, particularly towards the poorest and weakest countries.

What we must therefore institute is a policy of food aid as an integrated process which takes the aid right to the village in such a way that we ensure that the aid given does not itself become another element in the exodus from the country. Apart from the destination of the aid we must ensure that its management is transparent. We must especially, perhaps first of all, Mr Commissioner, be party to bringing about a world agreement on grain and other international agreements on cereals which will stabilize and give some future to the world market.

Having said that however, it has to be said that food aid — I am just as convinced of this as is Mrs Focke — that food aid and what one could call the transfer of public capital though I repeat that they are necessary and urgently needed for the very survival of increasingly underdeveloped countries, do not in themselves deal with the structural causes of underdevelopment and even less, as I said, can they constitute the mainline of a development strategy.

In concluding may I say again that in the last analysis, opening the North-South Dialogue means initiating worldwide negotiations and bringing them to a satisfactory conclusion, ensuring that the Community and Member States play an active, driving role, as it says in the resolution we shall be voting on, and this is becoming increasingly urgent.

And increasingly urgent is the need to make Europe aware first of all that peace will continue to be precarious and vulnerable to crises until such time as we reverse the current trend which is for the gap between industrialized countries and developing countries to widen.

This trend cannot be reversed in terms of aid, simply by sending an increasing emergency aid, it must be done by means of a proper policy which pays heed to the international systems of production, exchange and consumption through many countries. In consequence, Mr President, 'development cooperation' is not a more or less regular supplement, available according to the particular conditions of our own economy but a regular, daily part of life in our Community, in our countries, in European society and amongst our citizens.

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

Mr Pannella. — (FR) I have here, Mr President, a tape with a recording of this morning's debate. It proves that Mr Blaney spoke for 2 minutes 38 seconds and Mr Capanna for one minute 7 seconds. The President refused to give the floor to Mrs Macciocchi, who still had one minute 15 seconds left, and said that we

Pannella

had spoken for exactly 4 minutes 58 seconds. It was by way of protest against this that I did not attend the lunch because, Mr President, it is not the done thing to sit down with cheats.

President. — Your comments will be noted, Mr Pannella.

We shall now continue with the debate. I call Mr Pannella.

Mr Pannella. — (*FR*) Yes, Mr President, life is like that, isn't it? Here we are talking about people dying of hunger and I now have the quite gargantuan speaking time of 8 minutes!

What are we actually talking about? Forty thousand million units of account and a very important oral question by Mr Poniatowski.

And what is happening, what is going to happen here in Europe after Cancún and after these years of the North-South Dialogue?

It is my belief, Mr President, that Europe is today demonstrating with this Parliament of acquiescence that it is quite capable of betraying Poland and Warsaw a second time, just as it did with Daladier and Chamberlain. It is perfectly natural, Mr President, that Europe as represented by people like Daladier and Chamberlain speaks of Poland and now of the Third World in exactly the same way as it did at the time of the holocaust of Hitler and Mussolini.

In those days too there were only a few of us in Europe who said that Léon Blum was wrong when he did not step in and defend the Spanish Republic. We were only a few to tell our British friends and Mr Churchill that they were wrong to say that had they been Italian they too would have been fascists. We were only a few, and most of us in prison, to say that when one accepts the beginnings of a holocaust one accepts the holocaust for an entire generation.

And so, Mr President, we are told that our Commission will for the time being continue the good works, with which I agree in principle. We can be sure, though, that this is no answer to the great question which Cancún failed to answer. The answer, Mr Pisani, has been given solemnly by Parliament, at a time when madness rules, is establishing organized chaos and condemning entire generations to genocide and extermination by sacrifice on the structuralist and progressive altar of the left-wing view of development. It's very beautiful; it's very left-wing; it's not existentialist but structuralist, and it's not charity but development! In the meantime, other people die of it, because the people who talk about development have great awareness and plenty of it. They are left-wingers like me, and so these people from the Third World can wait

until 1985, until 1988, until 1990 and 10 million or 30 million of them can go on dying each year until such time as the left-wing — which includes everybody as far as the conservatives and the extreme right — get their analysis right.

This House has said that in 1982 we must take on the task of ensuring survival for at least 5 million individuals. Parliament recalled that the Carter Commission calculated that the funds needed for these people were trivial compared with the costs and expenditure budgeted for armaments and many other things.

What we have not done, Mr Pisani, is ask the Commission to undertake saving these millions of people all alone, for to do so would be to demonstrate neither folly nor demagoguery but imbecile ignorance of DG VIII. Even if it were staffed by demigods DG VIII could not do it! For three years now I have been reproaching you for not asking for a further 60 officials so that you could make this Parliament and the Council understand what it was about. Firmly but with humility, this House had given the Commission 30 days. Not to buy wheat and cereals in a single day so that the sudden rise in the market did a good turn to the multinationals: we are not like Mr Carter buying 18 million tonnes just to give to Mr Brezhnev, who then plays at confrontation over missiles with Mr Reagan at the same time as he signs a warrant for death by hunger for the south; what we want to do is submit to the Council a little project bringing up to date the regulation which provides 5 000 million units of account in quotas which have been defined by custom.

The Commission failed to understand this. The Commission said to us: 'We're not going to buy cereals: the market would go mad if we did'. The Commission also said to us: 'If you give it to us we won't know what to do with it'. But we knew, ladies and gentlemen! There was a meeting 25 days ago, in this very building, in this very Chamber, of the most important individuals from the system, from the specialized agencies of the United Nations who told us that together with the Commission if it so wished, they were prepared to undertake this crazy attempt to save 5 million people in 1982.

So it is possible; it is necessary. All we were asking is for the Commission to employ a few of its economists to draw up a short report which would have taken three or four days' work. They did not understand us because in all good faith they do not understand. We will have to wait until 1985 or 1988 or 1990. I heard the official statement by the French Government: 'We have decided to give 0.7% of our GNP'. We give them a big hand. And then they add 'in 1988'. And in the meantime, if the figures are correct, there will be at least another 30 million dead each year because of hunger. That will be another 210 million people exterminated. The agencies tell us that it is possible to fight against hunger in the world. If we adopt a method we

Pannella

shall stop making transfers of wealth between the governments of the rich countries and the bureaucracies of the first, second and third worlds using the excuse of development, because we must go towards the rural zones and establish the bridgeheads so that development can really be achieved with a view to survival.

What I have been trying to do, Mr President, is to sketch out a form of dialogue. Would you be kind enough, Mr Pisani, to let us have for Christmas the time to think, so that Christmas 1982 will be a Christmas worthy of that name for at least some of those people whose extermination by hunger has been decreed.

President. — The debate is closed.

(Parliament agreed to the request for an early vote on the motion for a resolution)

The motion for a resolution will therefore be put to the vote at the next voting time.

12. UN conference on the least-developed countries

President. — The next item is the report (Doc. 1-823/81), drawn up by Mr Cohen on behalf of the Committee on Development and Cooperation, on the results of the UN conference on the least-developed countries (Paris, 1-14 September 1981).

I call the rapporteur.

Mr Cohen, rapporteur. — *(NL)* Mr President, this is the second time we in this House have discussed the Paris Conference on the least-developed countries which took place in September of this year. On the previous occasion, and at the request of a number of Members, we adopted a report without debate. In July of this year, just before the conference, we adopted a resolution almost unanimously, in which we set out what we expected the conference to achieve and what the Community's role at the conference should be. The resolution had a number of highly noteworthy things to say, for instance, on agricultural policy and trade in agricultural products. In fact, the resolution repeated virtually everything Parliament had already said on a previous occasion on world hunger in the Ferrero Resolution. We referred in the resolution to the extent of financial aid to the least-developed countries and we took the view that such financial aid should at least be doubled over the coming years.

The resolution also referred to the various forms of financial aid, and we took the view — unanimously, let me stress — that what the poorest countries needed

were gifts rather than loans; we also took the view that more programme-specific aid was called for and that the mere financing of more projects was not enough in itself.

The Paris Conference has now taken place, and I think we can say that it was a partial success. I say a partial success because agreement was reached on a 'Substantial new programme of action' to be implemented over the next ten years. One of the major elements of this programme is undoubtedly the commitment on the part of a large number of countries to allocate 0.15% of their GNP to aid to the poorest countries. Despite the fact that not all the Member States of the European Community thus committed themselves, the fact is that at least some of them have done so and others have stated — as we had said in our resolution — that they intended at least to double their aid to the least-developed countries over the coming years. The Paris Conference was in fact one of the most successful international conferences ever on development problems. More to the point, the conference was in fact condemned to succeed; after all, who would be prepared to put up with the odium of being against the poorest in the world?

None of the industrialized countries was prepared to go out on a limb, which made it fairly easy to reach agreement on the new programme of action. On moral and humanitarian grounds, everyone sympathized with the lot of the people living in the poorest countries, and, let me repeat, no one was prepared to put up with the odium of having given the impression of being against a programme of this kind.

The concept of interdependence, which the Brandt Commission had so much to say about — and did so so well — applies less to these poorest of the developing countries. As far as development cooperation with these countries is concerned, we can only base our action on moral and humanitarian considerations, because these are not, generally speaking, the countries which supply us with raw materials. These are not the countries which offer large markets to which we can subsequently export our own products. The concept of interdependence applies to only a very limited extent to these countries. In this case, our actions should be based instead on the ideas of international solidarity, international law and the right of all people to a life worthy of a human being if we genuinely wish to allow these countries too to partake of global prosperity.

The programme of action has been adopted and will now have to be implemented over the next ten years. During that time — and this is the main point since we are, after all, a Parliament of the European Community — it will be up to the European Community to put its best foot forward. Of course, the Community is already doing a great deal, especially in the interests of the poorest countries — and

Cohen

let me just remind you that the Lomé Convention, which links the developing countries with the Community, covers 20 of the 31 least-developed countries in the world. But the Community cannot rest on its Lomé laurels; further action is called for: for instance, in terms of our policy *vis-à-vis* the non-associated areas. Mr Enright will be presenting a report on this question in the course of this part-session.

We shall undoubtedly have to do more, and we have just had a debate — which unfortunately turned out to be a bit of an institutional wrangle — on the 40 million EUA in food aid for the least-developed countries. That is at least a first step on the part of the Community, but that too is of course not enough. Our first concern must be to encourage agricultural production in those countries, and the 40 million EUA in food aid is really no more than a palliative. We shall have to provide more financial aid to the least-developed countries, which does not necessarily mean to say that total public aid for development cooperation needs to increase. It can also mean that we should ensure that more private capital is channelled into such special areas as the recently industrialized countries. I have in mind here various possibilities including the proposals we are still awaiting from the Commission on the recycling of petrodollars. There are various ways of going about this, but one thing is sure: the Community will have to come up with the 0·15% over the coming years. And even that is in itself merely one aspect of the policy the Community will have to pursue. We shall have to make it clear in the field of trade policy that we intend to bear in mind the interests of the poorest countries in our day-to-day affairs. Having said that — and I am sure that others will be making the same point too — I cannot help recalling the debate we had here on the system of general preferences and the adoption of Mr Welsh's resolution on the Multifibre Arrangement which, despite all our good intentions, means in fact that we take little or no account of the interests of the poorest countries. That situation will have to change in the future, and we in the Committee on Development and Cooperation will keep up the pressure to ensure that something is done.

One of the matters dealt with at the Paris Conference was the possibility of extending the Stabex system applying to the Lomé countries to cover all the poorest countries throughout the world. Mr Pisani already had something to say about this in a different debate this morning. I shall not repeat the point because I agree with him that what is needed here is closer study and that perhaps regional agreements might be the best solution. I should like to point out, though, that Stabex is under great pressure at the moment precisely in the Lomé context, that the financial resources are inadequate and that it will probably not be enough simply to take a look at whether Stabex can be extended; we shall have to take into consideration other forms of compensatory financing, and what I have in mind here is the system which is already in use by the International Monetary Fund. It would be

useful if the Commission could give some consideration to this point.

The European Parliament adopted its resolution in July saying what it expected the Paris Conference to achieve. In my resolution at least, we are reasonably pleased with the outcome of the conference, but the programme of action applies to the next ten years, and the Committee on Development and Cooperation will be coming back to this point to keep a critical eye on what policy the Community will be mapping out over the coming years. That is something we have a duty to ourselves to do, but we also have a duty to keep a watching brief in the context of the general discussions we have had on the North-South Dialogue, of which the problem of the least-developed countries is really no more than one aspect among many, a specific aspect with specific characteristics, a specific problem which will require special solutions. But, let me repeat, the problem of the least-developed countries is still an integral part of the global problem of North-South relations. Both East-West and North-South relations require our full attention, and over the coming months and years, we shall be coming back to this problem and continually reminding the Community that it has certain obligations here which it must fulfil.

President. — I call the Committee on External Economic Relations.

Mrs Wiczorek-Zeul, draftsman of an opinion. — (DE) Ladies and gentlemen, the Committee on External Economic Relations has not presented a written opinion on the Cohen Report, but I have been asked and authorized by the Committee to express its very definite support for that report.

In doing so, allow me please to point out what we think is the heart of the matter. The term 'least-developed countries' is one which means little to the majority of our people. What exactly is the situation of the people living in the 'least-developed countries'? What it in fact boils down to is that the daily per capita income of these people is less than half a US dollar. The people in the countries we are talking about account for 300 million of the total world population and 15% of the total population of the developing countries. These are the countries which are worst affected by famine. These are the countries which can no longer pay their oil import bills. These are the countries which can no longer command the investment capital they need to develop their agriculture and thus tackle the problem of hunger among their people. In other words, these are the countries we are talking about when we debated Mr Ferrero's report on world hunger.

The Committee on External Economic Relations has followed a consistent line since that debate and has expressly stated that it supports the aims of the Paris

Wieczorek-Zeul

Conference, which are set out once again in Mr Cohen's report, and above all the obligation on the part of the European Community to grant special privileges to these least-developed countries.

We have taken a special look at the trade sector and given our approval to the demands formulated in the motion for a resolution. However, ladies and gentlemen, let me say at this juncture that, at this stage of presenting plans for the next ten years and discussing Mr Cohen's report, these general appeals and demands are not costing the European Community a penny. The time will come, though, when we shall have to foot the bill on practical issues like import quotas for agricultural products or other industrial products. The Paris Conference called for improved market access for the least-developed countries, and the question we should be asking ourselves is whether, when the time comes for us to stand up and be counted, we shall be prepared to take whatever practical steps are required.

We shall have to comply with the demands put forward at the Paris Conference on such practical issues as changes to the general system of preferences, given that the conference called for systems of this kind to be improved in the interests of the least-developed countries. We shall have to comply with the conference's demands on removing tariff and non-tariff obstacles to trade and on the Community's attitude to products agreements entered into under the terms of the UNCTAD Fund, where the conference has called for the least-developed countries to be exempted from the costs of storage resulting from such agreements. Finally, we shall have to comply with the Conference's demands when we come to decide on a proposed new form of stabilizing export earnings, and after today's discussion, this is a job for the European Community.

The Committee on External Economic Relations also supports Mr Cohen's report on the grounds that it clearly brings out the aim of coherent policy on the part of the European Community *vis-à-vis* the least-developed countries, whether or not they are covered by the Lomé Convention. We should like to see the Commission take on the task of producing a report on a policy which would extend to those countries which do not derive any benefit from the Lomé Convention.

I hope Parliament will give a broad measure of support to this report, but, going beyond that, I believe that we shall have to fulfil our own obligations on practical issues. That will be the true test of whether all we wanted was to put forward demands without having to pay for them, or whether we are prepared to make the necessary sacrifices.

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

Mrs Rabethge. — (DE) Mr President, ladies and gentlemen, this Christian-Democratic Group welcomes and supports Mr Cohen's balanced report. We expressly approve of his cautious assessment of the figure of 0.15% of gross national product until 1985, a figure which also appears in the Commission's draft.

Allow me to voice certain thoughts which I am sure have already occurred to many of you. 'Yet another of those well known conferences which arouse worldwide interest, of the kind we have had in such abundance over recent years: a costly operation which produced no tangible results': that is how one of the major European daily newspapers rather sneeringly described the Paris Conference shortly afterwards.

Mr President, it is my view that we shall have to do a lot more in the future to tell the people of the Community why these much reviled conferences at various exotic and not-so-exotic places throughout the world have been necessary and will remain necessary, although I fully agree with Mr Wawrzik that it will not be enough simply to use words like 'global conference' or 'global negotiations'. The fact is that no single part of this world is in a position any longer to solve the problems off its own bat. The meeting in Cancún was the best demonstration yet of this fact in the eyes of the people of our Community.

While it is true that the fight against world hunger, disease and other forms of human misery can only be waged successfully *in situ*, i.e. in the villages and the urban slums of the countries of the Third World, and particularly in the poorest among them, the fact is that conferences of this kind will continue to be necessary. Development aid has now attained such proportions that it is beyond the resources of one part of this world, i.e. the free world, unless the Comecon and the OPEC countries play their part too. This is particularly true if we are only allowed raw materials on condition that we open up our own markets and if, on the other hand, we are not accorded fair treatment on other markets and finance flows are in a state of total chaos.

I think I am right in saying that agreement was reached on the fact that in view of the steady drain on resources, Community aid should in future be channelled to a greater extent to the poorest of the poor countries, with whose lot we particularly sympathize and to whose aid we are particularly committed. The conclusion is therefore very simple: we must, as a matter of urgency, work towards establishing a political climate in developing countries which will enable practical solutions to be applied with all due speed. International markets must be opened up to enable us to utilize to the full the advantages of the international division of work so as to boost productivity worldwide. As has already been said here today, private propensity to invest must be encouraged by simplifying and guaranteeing private flows of capital.

Rabbethge

What we do not need are new distribution organizations, which would only create more confusion and lead to a loss in efficiency as a result of disputes as to who does what. With money tight everywhere, that is something we cannot afford. If we genuinely want to reach the people in the poorest countries and have some effect on their day-to-day concerns, we shall simply have to pay more attention than we have hitherto to the slogan 'small is beautiful' and act thereon.

We have long had the necessary means at our disposal, which are now waiting only for us to put them to more intensive use than has been the case in the past. What I have in mind here is cooperation with non-governmental organizations.

We must not delude ourselves into thinking that the industrialized countries of the West can meet the food needs of the entire world on their own for ever and ever. We must shift our sights from gigantic fields and gargantuan dams to the small fields, the small allotments, the small wells, the establishment and enlargement of small workshops — all these things deserve more attention than we have given them in the past. I believe that there is general agreement in this House on that point.

President. — Time forces us to interrupt this debate. It will be resumed tomorrow.

13. Question Time

President. — The next item is the second part of Question Time (Doc. 1-847/81).

We start with questions to the Council.

I call Question No 63, by Mr Radoux (H-405/81):

Can the Council say what meetings have been held between the Ministers of the Community Member States — for example, 'Gymnich'-style conferences — outside Council meetings, and which of them have led to the formulation of policies afterwards officially adopted in a regular Council meeting?

Mr Hurd, President-in-Office of the Council. — Mr President, the Ministers for Foreign Affairs have held two Gymnich-type meetings in 1981: the first at Venlo and the second at Brocket Hall. The aim of these meetings is to enable the Ministers for Foreign Affairs to hold informal and confidential discussions on subjects falling within the competence either of the European Communities or of European political cooperation. The Ministers for Economic Affairs and Finance, Employment, Industry and Agriculture have also held informal meetings during 1981.

Mr Radoux. — (FR) May I thank the President-in-Office for making public the fact that, in addition to the meeting of the foreign ministers, there have also been informal meetings of the Ministers for Finance, Industry, Agriculture, etc.

Since I note that all these informal discussions are not making it any easier to reach decisions at the official meetings, I should like to ask the President-in-Office whether he would not agree with me that we appear to be faced with a procedural aberration, to the extent that the nature and outcome of these unofficial talks inevitably remind us of a return to the system of inter-governmental relations, the very ineffectiveness of which was supposed to be overcome by full implementation of the provisions of the Treaty of Rome.

Mr Hurd. — I do not myself think that that is a just conclusion to draw. Of course, the Treaties lay down how decisions should be taken inside the Community; the Treaties are carefully respected by the Council and therefore no decisions are taken at the informal meetings which Mr Radoux is speaking about. It seems to me from experience highly important that in addition to the formal meetings of the Community, where decisions are taken, there should from time to time be opportunities for Ministers to meet informally to exchange views, to get to know each other, and experience suggests that this actually helps forward the process of taking decisions, because although decisions are not taken and cannot be taken at these informal meetings, nevertheless by knowing each other's minds better, Ministers are better equipped when they come to the actual meetings of the Council to take the necessary decisions.

President. — Since the author is absent, Question No 64 will receive a written reply.¹

I call Question No 65, by Mrs Ewing (H-483/81):

Does the Council share the opinion that respect of the principle of additionality is an indispensable precondition for an efficient functioning of the European Regional Fund and, if so, is the Council willing to consider positively the introduction of new mechanisms ensuring respect of the principle of additionality in connection with the revision of the Fund regulation?

Mr Hurd, President-in-Office of the Council. — On 29 October 1981, the Council received from the Commission a proposal for a regulation amending Regulation (EEC) No 724/75 establishing a European Regional Development Fund. This proposal — i.e., the Commission's amending proposal — does in fact contain a number of points which could provide support for an increase in additionality — among other things, the coordination of regional policies and the transition to co-financing by programme. It will not be possible for the Council to complete its exami-

Hurd

nation of this important proposal until 1982 and after it has received and studied the opinions which the European Parliament and the Economic and Social Committee are asked to deliver as soon as possible. It is therefore not yet possible to say what action the Council will take on this Commission proposal.

Mrs Ewing. — Does the President-in-Office not agree that this Regional Fund is one of the things that reaches out to the man in the city street or the slum or the far-off island, and that when he learns — this man in the street or the island — that the Treasury of this Member State has creamed-off the money that was awarded to the project and put it into the Member State's coffers, that is one of the most harmful public-relations exercises that this Parliament has ever been a party to? Could I urge him therefore to stop the fraud on the average taxpayer of the Community forthwith?

Mr Hurd. — The honourable lady uses some harsh epithets. This is a well-worn point of discussion, but I think it is generally accepted that in substance, as opposed to public relations, receipts from the Community, from the Regional and other Funds, allow expenditure in the regions at higher levels than would otherwise be possible. That is surely the point of substance. In 1980, it is perhaps worth reminding her, the amounts of grants for Scotland from the Regional Fund were 43 million ECU . . .

Mrs Ewing. — I know, I know!

Mr Hurd. — The honourable lady knows, but possibly some of her constituents don't — and between 1975 and 1980, 202 million ECU were paid in respect of projects in Scotland. These are quite substantial sums.

IN THE CHAIR: MRS VEIL

President

President. — I call Mrs Ewing on a point of order.

Mrs Ewing. — The President-in-Office has not answered the question!

Mr Van Minnen. — Does that surprise you?

Mr Battersby. — In view of the fact that events move and disaster strikes much faster than statistics do, will the Council reinstate Yorkshire and Humberside, with their currently very high unemployment figures, espe-

cially for youth, on the priority treatment list? In this region we have many black spots, and these blanket Class 2 regional statistics can distort and create local hardship.

Mr Hurd. — As regards the honourable lady's point of order, I tried to answer her question, and she did not agree with the answer. I think that is really the point between us.

On the honourable Member's point, this is, I think, essentially a matter for the Commission. The Council, as I explained, has consulted this Parliament on the Commission's proposal. We await their opinion with the greatest interest, and it will certainly be examined carefully as soon as we receive it.

Mrs Kellett-Bowman. — Has the Council ever considered instituting regional additionality, since this would make it very much easier for local authorities to decide which project to put forward, it would spread the aid more fairly in the regions and it would also make it very clear to people that help really was coming to them on a very substantial scale from Europe?

Mr Hurd. — I can understand the importance of that proposal. In fact the Commission's proposal on which the Council has asked the Parliament for its opinion, does provide for coordination of regional policies and co-financing by programme and I think that when the honourable lady studies — perhaps she already has — the Commission's proposal she will see there the germs of ideas which might correspond to her own thinking. In that case, I hope that Parliament will take account of her thinking on this point. I think it is now for Parliament to study the Commission's proposals and see whether in those proposals there does lie the possibility of progress on this vexed question of additionality.

Mr Maher. — Is the President-in-Office aware that in some Member States Regional Fund monies are being used in areas where there is already high development with the result that other areas of greater need are in fact being denied resources which they badly need? And, if so, has the Council any plans to ensure that it is in the areas of the greatest need that the resources of the European Regional Development Fund will in future be applied?

Mr Hurd. — I have a lot of sympathy with the principle which the honourable gentleman is laying down and I think that would be true of the Council and indeed of all the institutions of the Community that that is the principle on which the Community seeks to operate. If the honourable gentleman has particular instances where he thinks that principle is not being

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applied or is being breached, then I think it is primarily to the Commission that he should send those examples so that they can be examined.

President. — I call Question No 66, by Mr Galland (H-487/81):

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 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 Council intend to take to ensure that Community law is respected?

Mr Hurd, President-in-Office of the Council. — Madam President, it is for the Commission and not for the Council to assess whether the nationalization plans to which the honourable Member refers comply with the Treaties.

Mr Galland. — (FR) In the light of that reply, which comes as no surprise to me, may I ask the Council whether it considers that this is an important question to which the Commission should devote particular attention.

Mr Hurd. — The honourable Member is seeking to tempt me to tread on forbidden ground.

(Laughter)

However, I think that I must resist that temptation, although it exists. I would, I think, simply refer him to answers which the Commissioner, Mr Andriessen, gave to this House on Monday when he dealt in some detail with the Commission's views on the measures to which the honourable Member refers and I think that I had really better leave it at that.

President. — Since its author is absent, Question No 67 will receive a written reply.¹

I call Question No 68, by Mr Hutton (H-519/81):

Would the President-in-Office say which items in the Hänsch Report, adopted by the European Parliament on 9 July 1981, have been accepted by the Council and which items he expects to be accepted during the next six months?

Mr Hurd, President-in-Office of the Council. — The Council is pursuing its examination of the various suggestions contained in the resolutions adopted by Parliament on the basis of the reports by Mr Hänsch and Mr Van Miert.

At the meeting between the ten Ministers of Foreign Affairs and the Enlarged Bureau of the European Parliament on 17 November, Lord Carrington made known the Council's views as they stand at present on four matters relevant to the honourable Member's question, namely the taking into account of European Parliament resolutions, both plenary sessions and committee meetings, parliamentary questions and the conciliation procedure. And on the conciliation procedure the honourable Member will have heard the statement made by the Commissioner, Mr Andriessen.

Mr Hutton. — May I thank the President-in-Office for his answer and may I take this opportunity to ask him if he would care to express his reaction to Commissioner Andriessen's most positive statement on conciliation to this House this afternoon and perhaps give us a slightly fuller statement on the Council's position?

Mr Hurd. — I think the honourable Member is asking me to display undue speed since Parliament only heard the proposals a very short time ago and the Council, I understand, has not yet formally received them.

This is an important question. At the meeting on 17 November, to which I referred, which was in itself a unique occasion, Lord Carrington did say that the Council would give priority to improving the conciliation procedure. He asked the European Parliament to let the Council have its reactions to the relevant suggestions contained in the Report of the Three Wise Men.

So that is one aspect. The proposals put forward by Mr Andriessen today obviously will require careful study by the Council and in the light of what Lord Carrington said we shall make sure that this study is undertaken with reasonable expedition.

President. — I call Question No 69, by Mr Blaney (H-552/81):

Is the Council aware of the very serious social and economic deprivation affecting areas of the north of Ireland, does it recognize this deprivation as one of the root causes of violence, and would it welcome proposals from the Commission for a crash programme using Community funds to improve the lot of the most deprived sections of the Irish population?

Mr Hurd, President-in-Office of the Council. — The Community is aware of the economic and social situa-

¹ See Annex.

Hurd

tion in the areas to which the honourable Member refers and it has given them priority in the context of the assistance granted under its financial instruments. Indeed the Council decided that the Social Fund should grant them the higher rate of assistance. Under the Regional Fund one of the first five specific non-quota measures decided on by the Council was a measure to help these areas, and assistance granted under the quota section can benefit from the highest rates provided for in the regulations currently in force.

Mr Blaney. — Could I just draw your attention to a part of the question that I have asked which you have not answered, and that is whether you feel that this matter of deprivation is one of the root causes of the violence in the North and that therefore urgent measures to alleviate the deprivation would in fact help to alleviate the violence. That, I feel, is something that should be looked at. Further might I ask whether in fact these funds to which you have referred are in fact in operation. My knowledge and feeling is that in fact, while they may be there in promise, they are not there on the ground and they are urgently, very urgently needed. Would you welcome from the Commission proposals for immediate measures to try and alleviate the deprivation and therefore lower and de-escalate the violence?

Mr Hurd. — With regard to the first point, as the honourable Member knows — having had a go at this general problem this morning — it is not for the Presidency or indeed for the Council to start to analyse the course or cause of violence in Northern Ireland. The fact that priority has been given to the areas which he described in his question is the result of their having been assessed as areas of great need and that I think would be common ground between him and me and the Presidency.

As regards the actual implementation, all I can say is that the Council has taken the decisions which I mentioned. There has been no delay about them and the speed with which it is possible to put them into effect is obviously a matter for the Commission. In this context, although there is a question on this point lower down on the order paper, it is worth just reporting to Parliament that the Council has just received a proposal from the Commission for a regulation instituting a specific action in favour of housing in Northern Ireland within the framework of an integrated operation in Belfast. An examination of this proposal will begin as soon as the European Parliament has delivered its opinion.

Mr Van Minnen. — (NL) This sounds rather like an accounting exercise, when what Northern Ireland represents is probably the most serious situation anywhere in the Community.

Quite apart from the existing funds for Northern Ireland, does the Council not think it is now time to set up an emergency fund, particularly since it would be possible to finance the fund with the partial Community refund of the British contribution? The British Government — with whom the President-in-Office has such close links in another capacity — could then spend this money on that region for which he bears a double responsibility.

Mr Hurd. — I have already referred in my last answer to the special arrangements being proposed for housing in Belfast but I would say that the existing financial instruments of the Community are proving of substantial benefit to Northern Ireland. Since British entry into the Community, increasing levels of support have been allocated from the Social Fund to Northern Ireland rising from just over £ 4 million in 1973 to £ 25.7 million in 1981, and within the Community Northern Ireland ranked second in Regional Development Fund commitments on a per capita basis during the five years 1975-80 and does better than any other region of the United Kingdom. So that the existing instruments are providing substantial help.

Mr Normanton. — Madam President, I am quite sure that the President-in-Office of the Council will agree that the extent to which Community assistance is in fact and has been forthcoming is not sufficiently and widely understood by the general public in many Member States. May I therefore suggest to him that Community assistance from whatever source or from whatever Fund it may come should be provided subject to the condition that in some way or other the recipient brings to the knowledge of the public the Community origin and the form and extent of this assistance. May I suggest that if that were the case questions such as those which have come from Mrs Ewing and Mr Blaney this afternoon might well have been unnecessary.

Mr Hurd. — I have a lot of sympathy with that suggestion and I know that the Commission in the actual administration of projects has this point very much in mind and has made a good deal of progress towards it. I think that we all have a responsibility, I think that all of us — the honourable lady who put the question, Mr Blaney, Mr Normanton and the Presidency — have opportunities as we go about our lawful business to make this point to those whom we represent and others whom we visit and I gladly do so myself and hope that others do the same.

Mr Paisley. — Would the Minister be in a position this afternoon to comment on the recommendation of the Martin report dealing with the vexed question of additionality since I can assure the Minister that although in Northern Ireland we do have such large posters informing the public what funds are coming from

Paisley

Europe, the fact of the matter is that the funds are appropriated at Whitehall and Northern Ireland is not receiving additional aid from the Community.

Mr Hurd. — I have some difficulty in following the honourable Member. The report to which he referred was a substantial and important one, which by and large struck us as being on the right lines. But on this repeated point about additionality the fact of the matter is that receipts from the European Community enable the United Kingdom Government — and the same is true of other Member States dealing with their regions — to finance a higher level of public expenditure than would otherwise be feasible. I don't think the honourable Member with his knowledge of the province would deny that the economic problems of Northern Ireland are well recognized by the British Government and that this recognition is reflected in the levels of public expenditure financed by the British taxpayer in the province.

President. — I call Question No 70, by Mr Beazley (H-570/81):

In the light of the decision by the Organization of Petroleum Exporting Countries to raise the price of marker crude oil by \$2 to \$34 per barrel, at its meeting of 29 October 1981, what instructions has the Council given to the Commission to bring about a significantly reduced role for oil in the world economy?

Mr Hurd, President-in-Office of the Council. — The meeting of OPEC countries was not held until after the Council meeting on energy on 27 October 1981. The Council was therefore unable to comment on the OPEC decisions. It is, however, aware of the implications of these decisions and the Commission is, in accordance with its responsibilities, monitoring their effects on the market. It should be noted, I think, that a permanent reduction in oil consumption cannot be effected as a result of short-term decisions taken to resolve immediate problems. It does require the introduction of an overall long-term energy policy. So, in close cooperation with other consumer countries the Council has taken a series of decisions regarding energy saving, the rational use of energy, the establishment of a rational energy price structure and the substitution of other fuels for oil in the production of electricity. The main aim of all these decisions is to reduce oil-consumption imports and a certain amount of progress has been made in this respect in recent years.

Mr Beazley. — I thank the President-in-Office of the Council for his reply and would like to ask what degree of coordination the Council has agreed should be set up between the governments of the Member States in the implementation of the five basic lines of action proposed by the Commission. In particular, has

the Council agreed upon an overall coordinating strategy and has an overall coordinating body been set up to oversee and report regularly on progress towards achieving the objectives?

Mr Hurd. — I think a fair statement of the position is that the Community does already have a substantial energy policy, which is based on the national energy programmes of Member States, which is supplemented by action at Community level where this is conducted by the Community. Now, guidelines are being established, the Community has set itself energy-policy objectives for 1990 — that seems to the Council to be roughly the right time-span to aim at and progress reports are made on fulfilment of those objectives. The first Commission report on progress towards the 1990 energy-policy objectives was considered by the Energy Ministers on 3 March and it did show, as my original answer indicated, that progress was being made but that increased effort would be required by some Member States if the 1990 guidelines were to be achieved.

Mr Galland. — (FR) Does the President-in-Office not think that, in view of what the ten countries of the Community could achieve if they were to take combined action on energy, the 'energy' budgets proposed to us for 1982 are undoubtedly symbolic of the current ineffectiveness of the Community? Does he not think this is a field in which a lot more could be done?

Mr Hurd. — Well, this is a matter which my colleague Nicholas Ridley in his capacity as President-in-Office of the Budget Council is actually discussing, today and tomorrow, with the appropriate institutions of the Parliament. But I note the point which the honourable Member makes.

President. — I call Question No 71, by Mr Battersby (H-572/81):

Given that the training of students is an area of high priority in the Chinese People's Republic and that the Chinese authorities in recent years have been sending an ever increasing number of students to higher educational institutions in the Member States of the Community, do the Council Education Ministers, in the interest of solving EEC-China relations, intend to coordinate and pool information on Chinese students currently studying in the Community, and on the courses of study and places available to students from the People's Republic of China?

Mr Hurd, President-in-Office of the Council. — The admission of students from third countries to higher-education institutions in the Member States of the Community is not one of the points contained in the programme of action on education adopted by the

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Council and the Ministers of Education meeting within the Council on 9 February 1976. Nevertheless the Education Committee did think it desirable, as long ago as 1979, that the authorities of the different Member States tackle the question of student exchanges with the People's Republic of China in the same way. The delegations therefore exchanged information on the situation as it then stood and on the way in which it might develop.

Mr Battersby. — Could the President-in-Office tell me if the Council intends to review the situation in the foreseeable future?

Mr Hurd. — At its meeting very recently on 9 and 10 December this year, the Education Committee decided to update the mutual information which I have already mentioned on the exchange of students with China, early in 1982, so the honourable gentleman's suggestion is in effect already being acted on.

President. — I call Question No 72, by Mr Kirk (H-574/81):

At the meeting of the Council of Ministers responsible for fisheries of 27 October 1981, a permanent extension of the technical measures for the conservation of fishery resources was vetoed by Denmark.

Can the Council state whether any Member State expressed opposition to a temporary extension of the technical conservation measures at the above meeting, and if they did not, what prevented the Council from taking a decision on a temporary arrangement?

Mr Hurd, President-in-Office of the Council. — Since under Articles 3 and 18 of its Rules of Procedure the proceedings of the Council are not public, I cannot state what decisions were adopted by the various delegations when the extension of the technical conservation measures was discussed. At the end of its discussions on the indefinite extension of the regulation, the Council was unable to reach agreement on the implementation of the conclusion noted by the President at the Council of 29 September. However, all Member States have agreed that they would continue to apply the existing regulation on technical conservation measures. The Danish authorities have stated that they would apply the provisions of the regulation on a provisional basis pending the outcome of further discussion in the Council.

Mr Kirk. — (DA) I must say that I find the President-in-Office's reply very unsatisfactory, and I hope that by putting a supplementary I can obtain further clarification of what happened at the Council meeting of 27 October.

The fact is that, on 30 May 1980, the Foreign Ministers declared that they would do everything to achieve a common fisheries policy by the end of 1980, and a lot of work was put into this in the course of the year. They managed to get the technical conservation measures included in the EEC measures, with the result that they were taken away from national control in October 1980. They were thus transferred to the Community for a temporary period which has been repeatedly extended by the Council.

According to my information, on 27 October the Presidency attempted to have them extended on a permanent basis, despite the fact that at the preceding meeting of the Committee of Permanent Representatives the story was that it was only temporary measures which were to be extended for a further three months. Unfortunately, according to my information, there was a mistaken impression that no one had reacted at the meeting in September, so that there were no objections to extending them indefinitely. When the Danish delegation discovered this, they immediately protested to the secretariat of the Presidency and asked for the question to be discussed at the next Council meeting.

Even if Council meetings are secret, the fact is that none of the other Member States was against a temporary extension, but the Presidency alone decided...

(The President urged the speaker to put the supplementary question)

... My question is whether the President-in-Office considers it is in the interests of the Community to proceed with national measures when there is a chance of implementing temporary measures in the form of Community regulations, so that we can avoid the total collapse of the common fisheries policy? Is the President-in-Office satisfied with this outcome?

Mr Hurd. — The honourable Member refers in quiet terms to a difficulty which did arise. The Presidency has a view of what occurred on the occasion which he mentioned and another Member State has a rather different view. However, I think that the important point is the one which I recorded in my original answer, which is that following this disagreement all Member States have agreed that they will continue to apply the existing regulation on technical conservation measures, and I explained the basis on which the Danish authorities have done this. Of course, I agree with the honourable Member that it would be better if all this could be done on a Community basis within the framework of the Community fisheries policy, in fulfilment of the objectives laid down on 30 May 1980. I think everybody has worked hard in that direction. It has not yet been possible to reach the agreement which was sought and which is still being sought, and which is still of very great importance. Therefore it seems sensible to go for the best that one could, which is the

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application of the existing regulation in the circumstances which I mentioned.

Mrs Ewing. — Does the President-in-Office recollect the promises that his government gave the Scottish fishermen and indeed fishermen in many other parts of Britain at the time of entry, which apparently expire on 1 January 1982? Will he simply tell me as the representative of a great many fishermen and communities with no other possibility of jobs, what they are to do for a living after January 1? Are you satisfied to stand up there and sound so complacent about the situation which is a disgrace to the Community, where promises were made and have been broken? Two-thirds of the pond of Europe is the UK's and two-thirds of the UK's pond is Scotland's and most of it is in my constituency. What am I to go home and tell my fishermen, who are wondering if they should give up their livelihood?

Mr Hurd. — The honourable lady knows perfectly well the efforts which have been made by successive British Governments — I am speaking as a British Minister — to achieve a common fisheries policy. I think she knows also that it is a common fisheries policy which will best enable the fishermen of Scotland to earn a reasonable livelihood, as she and I would hope. She knows of those efforts and she can give her own account of them. All I can say is that those efforts have been made. They have been genuine efforts and they will continue.

Mr Purvis. — The President-in-Office of the Council will be aware that negotiations for a fisheries policy have been dogged time and time again by the fall and the reconstruction of governments around Europe. The trouble is we never seem to be able to get to the final decision. It is always just there, but not quite coming. Will the Council consider a way of getting round this problem of governments in transition or being reconstructed, being elected and so on? We really must get a decision process in the Community, above all on fishing, but in everything else as well, that can actually make decisions despite the temporary problem in Member States.

Mr Hurd. — There is some truth in what the honourable Member says. As we have seen again in the last few weeks, further efforts towards a common fisheries policy were made impossible by political change in a Member State particularly concerned. But the honourable Member and I are both servants of democracy and democracy does imply changes of government, sometimes unexpected and sometimes unwelcome changes of government, and I do not think there is any escaping from that or circumventing it.

Mr Provan. — Would the President-in-Office of the Council help facilitate European fish-producer organizations' representations at this time in the absence of a common fisheries policy? Will he facilitate those representations thus allowing an increase in official withdrawal prices and instruct the Commission so to do, thus allowing Community fishermen a larger income at this very difficult time for them?

Mr Hurd. — I would not feel competent to answer that question off the cuff. If the honourable Member would like to make representations himself on this specific point, either to the Presidency or to the Commission, I will make sure they are properly examined and a proper reply is sent.

President. — Since its author is absent, Question No 73 will receive a written reply.¹

I call Question No 74, by Mr Marshall (H-583/81):

Can the Council indicate what progress it has made in considering the draft directive on the harmonization of regulations relating to collective investment undertakings in transferable securities? Is the Council aware that this directive is supported by the industry in each Community country?

Mr Hurd, President-in-Office. — The proposal has been examined at a number of meetings since September 1977. During these meetings one basic issue arose, as to the nature of transferable securities, more particularly those securities which are not unanimously deemed transferable by the competent authorities of the ten Member States. The Council is aware of the importance of the directive, both for investors and for industry. We intend to continue working on it as soon as the initial problem has been resolved, namely the definition of these undertakings and the scope of the directive.

Mr Marshall. — Would the President-in-Office of the Council not agree that a period of over four years for these discussions is far too long, and would he care to give a time-scale as to when a decision is going to be reached? Would he also not agree that this draft directive which relates to unit trusts in the common parlance has to take account of the fact that a certain very successful international organization invests a certain amount of its assets in non-marketable securities, and cannot be expected to change that investment policy?

Mr Hurd. — This has taken a long time and I think I would be misleading him if I held out much hope of early progress. We are stuck on the particular point

¹ See Annex.

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which I mentioned. It is expected that the Council working group on the subject should be able to resume meetings early in 1982. But the time-scale for agreement is uncertain. This is true, unfortunately. We have quite a number of propositions working their way through Community institutions. We should not despair of something simply because it is taking a long time.

President. — Question No 75 is postponed.

I call Question No 76, by Mr Ansquer (H-593/81):

What does the Council intend to do to halt the increase in the price of iron and steel sold to small and medium-sized undertakings as a result of the obligation to submit price scales?

Mr Hurd, President-in-Office of the Council. — The measures to restore the steel market to health and particularly the measures concerning prices are an important component in the package of measures being implemented now within the Community to combat the steel crisis. In view of the situation prevailing previously, an increase in prices was sought, together with a return to order and discipline in this sector. To this end, dealers, like producers, are obliged to publish their price scales and strict surveillance has been introduced. This adjustment of prices has undoubtedly caused concern among the small and medium-sized undertakings which buy iron and steel. Especially when, as sometimes happens, this adjustment is accompanied by an increase in the dealers' profit margins. The Council knows that the Commission is aware of this problem and is currently collecting all the requisite information on the situation from the parties concerned. Moreover, this issue has already been discussed by the ECSC Consultative Committee.

Mr Ansquer. — (FR) We appreciate very well the reasons why the Council and Commission called for the publication of price scales, since what is involved is the 'iron and steel' plan and market transparency.

We also know that 80% of sales of iron and steel are by large companies, leaving 20% of the market in iron and steel products for the small and medium-sized undertakings. In this Parliament, and I think in all the national parliaments, we are always calling for small and medium-sized undertakings to be helped, since they represent not only an economic potential but also a major employment potential.

The result of the publication of price scales has been to put up prices, possibly because, as the President-in-Office said, dealers are also taking their cut. I am very glad to hear that you intend to remove certain difficulties after a detailed study of the situation.

I would therefore ask you, Mr President-in-Office, whether a number of quite simple measures could not be taken in regard to the marketing of iron and steel products, with a view to helping the small and medium-sized undertakings, while at the same time maintaining the transparency of the market?

(Applause)

Mr Hurd. — I understand the importance of this point. I think one has to look at the background, which is that steel prices fell sharply in the second half of 1980 and are only now recovering to the levels of two years ago. Generally throughout the Community they are not much higher than they were in 1974. Nevertheless, we in the Council know that the Commission is aware of the general point which the honourable Member has very fairly made. The Commission has, I understand, invited small and medium-sized undertakings to submit their grievances to it, and the Consultative Committee of the ECSC is also following the situation closely. The honourable gentleman will have served again today to draw attention to what is obviously a real problem and the Commission no doubt, when it has assembled the evidence, will consider what, if anything, it can recommend.

Mr Alvanos. — (GR) The question and the reply by the President-in-Office both relate to the Community's steel policy and its negative effects.

On this subject, I should like to put a supplementary question dealing specifically with Greece which, while it accounts for only 1% of Community production, was forced to close down its one and only blast furnace after its accession to the Community. In this context may I ask the President-in-Office whether the Council has discussed the particular question of the Greek iron and steel industry and, if not, what measures it proposes to take if Greece's iron and steel industry is not finally to fall victim to Greece's accession to the EEC.

Mr Hurd. — It is for the Council to establish general lines of policy and for the Commission to apply those general lines of policy to specific institutions and undertakings. The Commission will note what the honourable Member has said.

President. — I call Question No 77, by Mr Seeler (H-595/81):

At present, 14 proposals for directives on the harmonization of various taxes in the Community are pending before the Council. These have been approved by the European Parliament; in some cases, the proposals were drawn up and Parliament's opinion on them delivered more than ten years ago.

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Does the Council agree that the harmonization of tax systems is an important precondition for further development of the common market and in particular for the gradual ending of checks on goods at frontiers between the Member States? Will the Council give its attention to the proposals for directives which are before it as soon as possible and decide whether or not to adopt them?

Mr Hurd, *President-in-Office of the Council*. — The Council has always considered that the harmonization of the tax systems in the Member States is an important factor for further development of a common market, and in particular for the gradual ending of checks at frontiers. It has examined or is still examining all of the proposals for directives which the Commission is submitting and on which the European Parliament has delivered an opinion. Nevertheless, the Council is bound to admit that, despite all the efforts made, fiscal harmonization is proving to be a slow process. This is due in part to the practical obstacle posed by the technical complexity of many fiscal issues, as well as the importance which tax harmonization questions have for the budgetary policies of Member States, and their significance in a wider economic and social context.

Mr Seeler. — (*DE*) Mr President-in-Office, you will be aware that twice a year the Commission publishes a list of all the proposals approved by the Commission and Parliament and pending before the Council. This list now comprises several hundred items, of which the tax harmonization at issue here represents only a part. This afternoon and in November we had extremely impressive professions of faith from your Prime Minister and from the Italian and German Foreign Ministers with regard to the promotion of European integration. May I ask you: Is this not an opportunity for the Council to show that it really means what it says in its repeated statements that the European Community should be further developed, simply by finally getting down to solid work on the many proposals?

Mr Hurd. — The honourable Member is re-stating a principle which Lord Carrington certainly illustrated and which I myself illustrated when we discussed the completion of the common market during the Parliament's October part-session. And the honourable Member is certainly right in saying that progress is painfully slow.

It does exist: obviously the agreement on the structural basis for VAT was a substantial act in this direction, although some time ago.

More recently, to give another example, Member States agreed in principle to adopt a unified approach to the taxation of heavy goods vehicles and we hope that the modest directive involved can be adopted as

soon as possible. The British Presidency made a major effort in an area where we thought progress might be possible, namely on the question of taxation duties on alcohol, at the beginning of our presidency, but unfortunately it did not register the progress for which we hoped.

This is, I indicated, a very complicated and controversial area. That is not a reason for despairing of progress, for some progress has already been made. It is, I think, a reason for patient endeavour, presidency by presidency.

Mr Alvanos. — (*GR*) The people of Greece have many doubts and queries about the consequences of accession to the EEC, particularly now only a few months after a major political change in the Greek Government. In the context of the harmonization of tax systems and the intention of the Greek Government — the government of Mr Papandreou — to proceed with a reform of the tax system applied up till now in Greece, I should like to ask whether this is a matter for the Council and whether the nature of tax policy in Greece is in any way a matter for consideration or intervention by the Council or other EEC institutions.

Mr Hurd. — It is not for the Council to pronounce on the fiscal policies of Member States. The Council considers proposals in this field put forward by the Commission. We have a large number of Commission proposals on which it has only been possible to make slow progress and I think time is best concentrated on those.

Lord Harmar-Nicholls. — Is the Council aware that, quite apart from the attraction of harmonizing taxes just for the sake of neatness, there is a very real problem at the frontier where customs houses are causing terrific bottlenecks, which add to the cost of freight and things that have to go through, because of the different measures that have to be taken to discriminate between the various tax situations existing in different countries? If there could be a formula, similar to the one that we have gone with the ECU for the purpose of our own currency dealings with the EEC, which allowed freight to go through without having to work out these various detailed percentages, it would, quite apart from the attraction of harmonization, make it so much cheaper and easier for the interchange of freight between the various countries, and would add to the general efficiency. Could not such a formula be taken into account, rather than going for all out harmonization, which apparently does not find favour with the President-in-Office of the Council who is speaking at the moment?

Mr Hurd. — I have followed the Noble Lord carefully. There are these two aspects, both of which he

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has touched upon — harmonization of tax and procedures across frontiers — and both are in our view of very great importance. Both are to some extent misunderstood by public opinion in member countries and I think that we have some educational work to do, certainly in the United Kingdom, before harmonization ceases to be a term of abuse. But I agree with the basic points which the Noble Lord made, and whether in this Presidency or in future Presidencies, I am sure that the Council will be looking for ways of making progress, and ways other than the immediately orthodox avenues for doing that.

President. — Since their authors are absent, Questions Nos 78 to 80 will receive written replies.¹

I call Question No 81, by Mr Griffiths (H-609/81):

Can the Council explain why of the five measures adopted under the non-quota section of the ERDF, the only two which are not underway according to Information Memo P-65, page 5, are those for 'certain zones adversely affected by restructuring of the steel industry' and for 'certain zones adversely affected by restructuring of the shipbuilding industry'?

Mr Hurd, President-in-Office of the Council. — The Council adopted the two regulations instituting the specific Community measures mentioned by the honourable Member on 17 October 1980. Under the terms of Article 3 of these regulations the specific measures are to be implemented in the form of special programmes to be presented to the Commission by each of the Member States concerned. It is then for the Commission, after approving the programmes, to pay the amount of the Fund contribution in accordance with Article 6 (1) of these regulations. Lastly, the regulations provide for each Member State to present a report on the progress made in carrying out each special programme and for the Commission to submit a more general report to the Council, the European Parliament and the Economic and Social Committee on the implementation of the regulations. The Council, therefore, is not called upon to intervene during the various stages of the implementation of the regulations except to take note of the Commission's annual reports which it has not yet, in fact, received.

Mr Griffiths. — I did have this question down to the Commission as well, but unfortunately it was not reached and whilst I realize that the Council itself has got no part to play in this stage of the proceedings, could the President-in-Office of the Council tell me who is holding up the implementation of the programme on steel and the programme on shipbuilding, as all the others seem to have gone ahead. I wonder if he could say why these two programmes are being held up?

Mr Hurd. — The honourable Member will recognize that it is a little difficult for me to answer a question which clearly relates to the competence of the Commission. I am sorry that his question to the Commission wasn't reached, and I admire his ingenuity in trying to get the answer by another route. I might fall into quite substantial trouble if I started trying to give information of the detailed kind which he requires and which is very specifically within the competence of the Commission and concerns relations between Member States and the Commission.

Mr Pearce. — Will the President-in-Office agree that proper publicity should be given by Member State authorities, and in particular by the United Kingdom authorities, both at national and at local project levels, to monies received under the non-quota section regarding shipbuilding and steel, as and when these measures are approved?

Mr Hurd. — This point was put in an earlier question from, I think, Mr Normanton. I said that I certainly think this is highly desirable and I added that we all have a duty to inform and educate in this respect.

Miss Quin. — Would the President-in-Office of the Council nevertheless not agree that there is considerable danger of tremendous disillusionment being caused among local authorities in the Member States affected by the non-quota regulation by the slowness of the Community to act as far as the non-quota regulation is concerned, and therefore cannot the Council, in some way or other, put pressure on the Commission to make sure that this matter is speeded up?

Mr Hurd. — I sympathize with that. It is fair to say that the first five non-quota measures were adopted by the Council on 7 October 1980, and it is the necessary programmes which have not yet been fully adopted. This is a matter for Member States and for the Commission, as I have indicated. I do not think it would be fair to lay all the blame for delay at the door of the Commission, but both Member State governments and the Commission will have noted the point which the honourable lady has made.

President. — I call Question No 82, by Mr Chamberlain (H-614/81):

In view of the differences of opinion between the Member States as to the form which a European passport might take, particularly concerning the use of a set of computerized data, does the Council not think it preferable to abandon a scheme which, in the final analysis, could prejudice the rights and freedoms of the citizens of the Community?

¹ See Annex.

Mr Hurd, President-in-Office of the Council. — There are no differences of opinion between the Member States of the kind referred to by the honourable Member, since under paragraph (e) of Annex I to the Resolution of 23 June 1981, the passport can have either a conventional identification page or a laminated page complying with the draft ICAO recommendation, which stipulates — and this, I think, is the point which is sometimes misunderstood — that the passport should contain nothing which is not visible to the holder.

Mr Chambeiron. — (FR) It will come as no surprise to the President-in-Office when I say that I am not completely satisfied with his reply:

Could he give us his views on why at least one government has decided not to make use of its powers to include this set of computerized data? Is it not precisely because it sees there a danger for the rights and freedoms of the citizens of the Community?

Mr Hurd. — It is not for me to comment on the decisions of Member States other than perhaps my own government. My own government has taken a firm decision to introduce machine-readability because we believe it will help ordinary travellers to pass more quickly through immigration control and will encourage the development of automated procedures at the ports across the world. But that is a British Government decision and we wouldn't certainly urge it on any others who might be reluctant. However, I would repeat that fears about the possibility of introducing invisible information into machine-readable passports are really unreal.

President. — We turn now to questions to the Ministers for Foreign Affairs.

I call Question No 87, by Mr Israël (H-554/81):

Were the Foreign Affairs Ministers meeting in political cooperation informed in advance by the Greek Government of its intention to recognize officially the Palestinian Liberation Organization? Do the Foreign Affairs Ministers consider that the process of political cooperation is facilitated by this initiative?

Mr Hurd, President-in-Office of the Foreign Ministers. — Bilateral relations with the PLO are a matter for each individual Member of the Ten and do not affect the functioning of political cooperation. The Ten's attitude towards the PLO was clearly set out in the Venice Declaration.

Mr Israël. — (FR) Does the President-in-Office not think it is his duty to draw the attention of the Greek Government to the fact that the PLO is a composite

organization which harbours subsidiary groups whose open intent is to spread terrorism in Europe?

Mr Hurd. — No, sir, it would be impertinent of me to do that. The Greek Government will come to its own conclusions on these matters. The Greek Government has associated itself with the Venice Declaration, which states that in our view the PLO will need to be associated with eventual negotiations. So that is a clear position as regards the Ten. The actual attitude of individual member governments to the PLO and the actual relationship that they establish is, and must be, a matter for them.

Mr Galland. — (FR) To take up Mr Israël's question and continue in the same spirit, may I ask whether the value of political cooperation is not diminished when, overnight, one of the Member States has ceased to adhere to the decisions reached on the Middle East at the Venice Summit? On the same point, has political cooperation been maintained at least in form — in other words, was the Presidency of the Council informed in advance of Mr Cheysson's statements in Israel, or was it presented with a *fait accompli*?

Mr Hurd. — The honourable gentleman must find ways of questioning Mr Cheysson if he wishes to do so about the policy of the French Government and the statements of the French Foreign Minister. All the Presidency can say, I think, on that matter is that the French Government has on many occasions reaffirmed its commitment to the Venice Declaration and we have no reason to doubt that support. I would draw the honourable Member's attention in particular to the statements made on 23 November by the Governments of France, the Netherlands, Italy and the United Kingdom when they, on the same day and in identical terms, declared their willingness to contribute to the Sinai force. He will find in those identical declarations a very clear restatement of policy which was endorsed specifically by the Ten. So that the Presidency has no particular misgivings on this point.

Mr Marshall. — Would the President-in-Office not agree that if the Community is going to influence events in the Middle East it has to be seen as an honest broker? And would he not agree that the action of Greece in recognizing the PLO and of Athens in granting its freedom to Arafat can only heighten Israeli suspicion of the Community?

Mr Hurd. — I can't answer for Israeli suspicion of the Community. I look forward to exchanging views with the distinguished delegation from the Knesset during the next few days on behalf of the Presidency. I can only repeat that the Greek Government has experience

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in these matters, it has formed and it has declared that opinion. It is not for the Presidency to pass judgement on the exact arrangements which any Member State makes for keeping in touch with the PLO.

Mr Efremidis. — (GR) In our view, it is up to each individual government to arrange its foreign relations, including whether or not to recognize the PLO, but at the same time — and this is where my supplementary question comes in — the President-in-Office referred to the fact that the Greek Government had signed the Venice Agreement.

May I ask whether this reference means that there exist certain margins of manoeuvre and opportunities for the Council of Ministers, in the framework of cooperation, to exert indirect or direct pressure on what Greece, as a sovereign State, wishes to do? My question is even more justified by the way in which this matter is being discussed here and by the similar way in which it was discussed in the Political Affairs Committee's meeting a few days ago in London. In this case, we therefore feel that there should be a clear answer to the supplementary question as to whether it is the exclusive right of the sovereign Greek State and its government to recognize the PLO or any other organization if it feels this is in its interest, without being submitted to any intervention or pressure whether direct or indirect.

Mr Hurd. — Well, the honourable gentleman states the principle correctly. As I understand it, Greece has, since its accession, associated itself with the Venice Declaration, which makes the reference to the PLO which I have already quoted and which also lays down as one of the basic principles for a settlement the right of Israel to exist in security.

The Greek Government also, as an act of voluntary sovereignty, joined in the Declaration of the Ten, to which I have also referred, at the time when the four members of the Community announced their decision to contribute to a Sinai force.

Mrs Ewing. — I thank the President-in-Office of the Council for trying quite skillfully to pour oil on troubled waters. I would ask him to tell our Greek colleagues that whatever the Venice Declaration said, the Members of this Parliament were not necessarily behind that declaration. I ask him to remember that the PLO is committed to the destruction of the State of Israel. Would he therefore stand up here and now and say, whatever he may say about the Venice Declaration, that he disclaims that particular attitude of the PLO?

Mr Hurd. — Yes, I can do so, because one of the principles of Venice is that Israel has the right to exist

in security. Obviously that is not compatible with the views of any group which wishes to destroy Israel. That is perfectly clear, and it is no secret, that the Presidency has been trying in different ways to indicate to the PLO that if there is to be real progress towards the recognition of Palestinian rights, then the PLO for its part will need to indicate that in certain circumstances it accepts the right of Israel to exist. These are the two Venice principles, and it is absolutely clear in the light of everything that has happened since the Venice Declaration that there is going to be no real progress towards a comprehensive settlement unless there is progress towards carrying through both those principles.

Mr Denis. — (FR) Does the Minister not think that what is at stake today is the right of the Palestinian people to national existence and that, on the contrary, latest events such as the annexation of the Golan Heights are further proof that there will be no peaceful solution in the Middle East without recognition of the PLO?

Mr Hurd. — The ten Ministers meeting in London yesterday issued a forthright statement on the subject of the Golan Heights, which the honourable Member will have read. We believe and the Venice Declaration states that the PLO should be associated with negotiations. This is because we recognize that it does enjoy wide support in the occupied territories. The Ten have not gone beyond that statement of what I think is a clear and obvious fact. They have not gone beyond the statement that the PLO will need to be associated with negotiations.

President. — Since its author is absent, Question No 88 will receive a written reply.¹

I call Question No 89, by Mr Efremidis (H-578/81):

Do the Foreign Ministers meeting in political cooperation intend to give serious consideration to the mass anti-war movement which is developing in Western Europe? Do they also propose to put into effect the peoples' wishes, as expressed by the recent demonstrations in support of peace in the capitals of the Member States of the EEC, and condemn the USA's unacceptable designs regarding 'limited nuclear war' in Europe?

Mr Hurd, President-in-Office of the Foreign Ministers. — The Ten have frequently re-stated their commitment to peace in Europe and will support all measures which will genuinely help to maintain it. In particular they have welcomed the start of negotiations between the USA and the USSR on intermediate nuclear forces. On 27 November the European Council

¹ See Annex.

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welcomed the commitment of the United States, announced in President Reagan's speech on 18 November, to the goal of major disarmament by means of mutual reductions in nuclear and conventional forces and confidence-building measures. The Ten do not discuss defence questions in political cooperation.

Mr Efremidis. — (GR) The reply was general and, I might say, generally satisfactory, but it was not specific on the question we had tabled. May I therefore repeat it and supplement it as follows: Have the ministers meeting in political cooperation discussed or reached any conclusions or decisions on a condemnation of the obvious intentions of the USA to promote a situation in which there is a direct threat of a nuclear war in Europe?

That was the question, and that was the call of the hundreds of thousands of people who demonstrated — and I take this opportunity of repeating their call — in the capitals of all the Member States of the EEC.

May I therefore ask the Minister for a reply on this point.

Mr Hurd. — I would make two comments. First of all I am surprised that the honourable Member, as an experienced politician, should measure the movement of public opinion by the number of people who demonstrate in the streets.

(Applause from the European Democratic Group)

I believe that it is profoundly misleading to do so. Secondly — and here I repeat my main answer — it is not within the scope of the Ten to enter into discussion of the strategy of NATO or the defence policy of the United States. I have indicated the area which the Ten have covered in the field of arms control and disarmament. That is something which we discuss *à dix*, but quite apart from the substance of his suggestion with which I deeply disagree, the honourable Member would be asking the Ten to enter into and to make declarations on matters which it is not within their scope to do.

Mr Marshall. — Would the President-in-Office of the Council agree that events in Poland and Afghanistan have emphasized the expansionist and undemocratic basis of international communism and confirm that unilateral nuclear disarmament would guarantee the subjection of the West rather than peace in the world?

Mr Hurd. — Speaking as a British Minister, I am convinced that unilateral disarmament would do a great deal to harm the prospects of success in the multilateral discussions which I mentioned, which

have started and which the Ten have endorsed. I agree with the honourable Member on that.

As regards Poland and Afghanistan, he will have seen the statements which the Ten have made, he will know of the help which we as a Community have given to Poland and he will know of the concern and anxiety with which we follow existing events there. As regards Afghanistan, I entirely agree with him. It seems to me essential that we should not allow what is happening in Afghanistan day by day to be forgotten. I believe that the European Parliament has an opportunity itself to make a concrete move in the direction of keeping public opinion informed. Certainly it would be in line with the attitude taken by the Presidency and by the Ten that this should happen.

Mr Israël. — (FR) Does the President-in-Office not fear that the Community's present attitude towards the Polish crisis is strengthening the pacifist movements in Europe?

Mr Hurd. — I cannot follow the honourable gentleman's train of thought. I should have thought that the danger which envelops Europe would strengthen those in our ten countries who argue for a fairly robust and realistic policy both on defence and on negotiation with the Soviet Union.

Mr Maher. — In spite of the answers he has given, would the President-in-Office not agree that the governments of the free countries of Europe, either collectively or individually, are failing to convince, particularly, the younger people of Europe that it is highly dangerous to disarm in the West while Russia maintains an arsenal of nuclear weapons along its borders; and also that there was a period in the lifetime of some of us when the same attitude developed in Europe in relation to Hitler's rearmament of Germany, which led to a catastrophic world war? Would he have any idea as to how we could better inform younger people, particularly, of the dangerous nature of the one-sided action which many of them are proposing to take?

(Applause from the European Democratic Group)

Mr Hurd. — The honourable Member is tempting me beyond the role of the Presidency, but as a British Minister I can say that I agree strongly with his general point. As far as opinion in my own country is concerned, we recognize that we have an argument on our hands, particularly with the young in schools and colleges. We believe that that argument can be won. We believe that the reasonable arguments exist to counter unilateralism, and we intend to win it.

(Applause from certain quarters of the European Democratic Group)

President. — Since its author is absent, Question No 90 will receive a written reply.¹

I call Question No 91 (H-613/81), by Sir John Stewart-Clark, for whom Sir Frederick Catherwood is deputizing:

Recognizing that trade is already effectively conducted on a Community basis, recognizing also that the unity or division of foreign policy and trade varies greatly between the countries of the Community, what positive steps do the Foreign Ministers intend to take to achieve a more visible and effective unity in foreign policy which can, in turn, be linked to trade?

Mr Hurd, President-in-Office of the Foreign Ministers. — On 13 October, the Ministers of the Ten approved the London report, in which they agreed on a number of improvements to political cooperation and on the codification of certain practices developed on the basis of the Luxembourg and Copenhagen reports.

According to this London report, the Presidency will ensure that discussion of the Community and political cooperation aspects of certain questions is coordinated if the subject-matter requires this. Furthermore, the London report states that the Commission of the European Communities, within the framework of the established rules and procedures, will be fully associated with political cooperation at all levels. The Ten believe that these measures will enhance their ability to achieve common positions and joint action on foreign-policy matters, and will improve coordination between the foreign policy of the Ten and their policy on matters which fall within Community competence, such as international trade.

Sir Frederick Catherwood. — Thanking the President-in-Office for his very forthcoming answer, could I take him a little beyond that in a slightly more visionary way and ask him whether he has noted that certain Member States have brought the mutual support of their economic and political policies to a fine art, and if, being a highly intelligent and perceptive politician, he is, does he not agree that the economic and political policies of the Community would both be enormously strengthened by following that example?

Mr Hurd. — There is a great deal in what the honourable gentleman says. The distinction between foreign policy and trading and economic policy is often unreal. Sometimes the Community finds, as it did in the case of Iran last year, that the distinction simply ceases to exist, and we have to take decisions without arguing too closely whether they are taken under political cooperation or under the Community. This is

perfectly true, and I agree therefore with the general thrust of his question.

Mr Alavanos. — (GR) The question by the honourable Member links the questions of common foreign policy and trade. I should like to take this opportunity of putting a question about the so-called Coordination Committee (Cocom), of which Greece is also a member. The result of the Greek participation in this committee is that sales of certain products by Greece to the Socialist countries are banned, the list of products naturally not being drawn up by the Greek people but by Atlantic bodies.

To enable the Greek people and Greek public opinion to be properly informed, may I therefore ask what relations the EEC has with Cocom.

Mr Hurd. — I have again had difficulty in following the honourable gentleman's line of thought. The Greek Government's attitude to defence in its relationship with NATO is clearly not a matter for the Presidency. Political cooperation is a voluntary business. No one can force or press the Greek Government to take action or make declarations under political cooperation which it does not wish to do; and that has been clearly shown. So we are talking now about a voluntary, but increasingly important part of the work of the Ten. Naturally, the Presidency hopes that as the months go by, the Greek Government and the Greek people will find themselves at ease with this idea and will find that it is in the interests of Greece more and more to join with their partners in the Community in these exercises of political cooperation.

Mr Cousté. — (FR) More specifically, is it possible to have this more visible and more effective foreign policy associated with the common trade policy when there are more and more divergences between the economies of the ten Member States? What will happen when there are eleven, twelve, thirteen or more Member States? That is the fundamental question for the future, and that is why I am asking it.

Mr Hurd. — Well, certainly the honourable Member is right: there are difficulties and the meetings go on late at night. But on the whole, I think he would agree that the Community has made quite a good effort at presenting a united front on major external economic matters — for example, in a wide range of international negotiations. I do not think that we have done badly in that, although I agree that the difficulties exist and that they will not be made simpler by further enlargement.

¹ See Annex.

President. — Since they are on similar subjects, I call together Question No 92, by Mrs Squarcialupi (H-617/81)

Do the Ministers not agree that there is a need for urgent action to defend human rights given that more than 20 000 suspected opponents of the military junta, many of who are citizens of Community countries, have disappeared in Argentina?

and Question No 93, by Mrs Cinciari Rodano (H-618/81):

With regard to the situation in Argentina, where government agencies continue to abduct suspected opponents of the military junta, often including members of their families and even young children, who then disappear without trace, where torture is still practised and the authorities refuse to inform European governments of what has happened to citizens of Member States of the Community who are in Argentina and have disappeared, do the Ministers not intend to take appropriate steps to seek an end to such serious violations of human rights?

Mr Hurd, President-in-Office of the Foreign Ministers. — The Ten have frequently condemned violations of human rights wherever they occur. They continue to pay close attention to the situation in Argentina, where there have been recently indications of willingness by the authorities to work towards improving the situation, and of increasing independence on the part of the judiciary. The number of detainees released in recent months has increased. The Ten intend to keep a close watch on these developments and to continue to stress to the Argentine authorities the need to respect human rights and to provide satisfactory explanations concerning the fate of those who have disappeared.

Mrs Squarcialupi. — (IT) The President-in-Office's reply was extremely nebulous and tells us nothing. We had asked whether immediate measures were proposed to trace these people, including many children, since it is now years since they disappeared. We are therefore not satisfied with the extremely vague replies which the Council has given.

Mr Hurd. — The Nine made a joint *démarche* to the Argentine Government about the situation of human rights in 1978. I would point out to the honourable lady, when she talks of 'nebulous replies', that we have to judge whether what we do is actually going to help those concerned. I do not believe that the Ten should engage in making declarations simply for the sake of headlines in our own newspapers and making ourselves feel more comfortable. We should ask ourselves, before taking action, whether the action proposed is actually going to help those who are in trouble. That should be the test, and that is the test which we have tried to apply and will continue to apply as we carefully follow the situation in Argentina and in other countries where human rights are obviously to some extent at risk.

Mrs Cinciari Rodano. — (IT) No one is asking the Council to make statements intended only for the newspapers. What we are asking for is a more precise answer on the private or even diplomatic pressure. What results has this had?

You spoke about detainees being released, but how many have been handed back? How many citizens of European countries have been handed back? Of how many children has news been obtained? We are not calling for pointless action.

We agree that these people must be helped, but we should also like to know what steps have been taken and what results have been achieved by the Council's action.

Mr Hurd. — Well, I have mentioned the example of joint Community action in Argentina — I obviously cannot answer for the individual efforts made by individual Member States, nor can I give precise figures for those who have been released or those who remain. But I would repeat that our information is that recently there has been some indication by the authorities of improvement, of increasing independence on the part of the judiciary and some indication that the number of detainees released has been increased. We are not happy about this situation, we are not happy about the violation of human rights in any country, but to return to the point — the honourable lady talks about diplomatic action — I have mentioned the diplomatic action which has been taken. One does have to measure in the light of experience the question whether action from outside is going to help, or may even occasionally damage, the prospects of those for whom we are concerned.

Mrs Ewing. — Does the President-in-Office not perhaps underestimate the ability of the Community to speak its voice on the question of human rights? Is it not a shame that he seems to allow Amnesty International to take a better role than this Parliament, because Amnesty International, as he must be aware, has said that disappearances — which are much worse in a way than deprivation of liberty because of the agony of mind of the people concerned with the disappearances — should be a crime against humanity? Would it not be worth the President's bravely saying, as he is almost at the end of the six months — before he sits down — yes, it is a crime against humanity and we should take the initiative?

Mr Hurd. — The honourable lady mentioned Amnesty International and she mentioned this Parliament. I would not dream of advising this Parliament on what it should do and I think there are many cases of human rights across the world where organizations like Amnesty, and individuals or groups of parliamentarians, are better placed to help people in trouble than

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are governments. We find this over and over again, that actual intervention by governments, or by groups of governments such as the Ten, are resented as interference and actually can hinder what we want to achieve. But the same objection does not apply — and I ask her to accept this as a serious point — to anything like the same extent to efforts made by individuals, by parliaments and by Amnesty International.

President. — Question Time is closed.¹

I call the Council.

Mr Hurd, President-in-Office of the Council. — Madam President, might I simply say that it has been a great pleasure during these six months to answer questions in this Chamber, and thank you, Madam President, your colleagues in the Chair, and all those who

have helped to make this not always a completely harmonious but always an interesting and agreeable occasion for me personally.

President. — I think I speak on behalf of the House when I thank you for the courtesy with which you have always replied to our questions, even though your position as President-in-Office does not always allow you to give answers as full as we would have liked. At any rate, we are grateful for your contribution to our work and shall be sorry not to be seeing you here any more.²

(The sitting was closed at 7.10 p.m.)

¹ See Annex.

² *Agenda for the next sitting: see Minutes.*

ANNEX

Questions which could not be answered during Question Time, with written answers

1. *Questions to the Commission*

Question No 6, by Mr de Lipkowski (H-508/81)

Subject: Visit by the delegation of Japanese industrialists to the Commission

What conclusions do the representatives of the Commission consider should be drawn from the visit of the Japanese industrialists' delegation? Is it thought in Brussels that this visit is likely to bring progress in restoring the balance of trade relations between Europe and Japan?

Answer

The Commission thinks it extremely useful for leading Japanese businessman to have been given the chance to hear from the Commission and government officials in the countries they visited what they had to say on the state of relations between Japan and the Community and on measures designed to correct the growing imbalance in trade between the Community and Japan.

The Japanese are now evaluating the results of their visit to Europe and are considering what conclusions can be drawn as regards better balanced trade relations. The economics ministers intend to discuss specific measures in Tokyo on 17 November.

The Commission intends to keep a careful watch on what specific steps are taken by the Japanese to correct the imbalance in trade between the European Community and Japan.

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Question No 9, by Mr Vié (H-514/81)

Subject: Siting of power stations close to frontiers

Can the Commission state what the current procedural arrangements are for consultation on the siting of power stations close to frontiers between Member States? Will this procedure, which forms part of the new Community energy policy, have to be observed in the near future?

Answer

The Commission's proposal concerning the introduction of a consultation procedure on the siting of power stations close to frontiers between Member States has been before the Council since December 1976. It was on the agenda for the meeting of the Energy Council held on 27 October, but was then held over for discussion at a forthcoming meeting. There are such fundamental differences of opinion between the individual Member States that no Community solution can be expected in the near future.

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Question No 10, by Mr Kirk (H-517/81)

Subject: The European Community and Greenland

In the debate leading up to the referendum on Greenland's continued membership of the European Community, the Greenland regional government has drawn attention to the possibilities it would

have of negotiating an association agreement under Articles 131 and 132 of the EEC Treaty (OCT agreements) were the referendum to result in a decision to withdraw.

Does the Commission consider it realistic to imagine that such an agreement could be concluded between the Community and Greenland if the latter decided to withdraw? Could such an agreement contain provisions for one-way development aid from the Community for projects in Greenland? Can the Commission confirm that an OCT agreement with Greenland would be conditional on continued Danish membership of the Community?

Answer

As you know, Greenland is at the moment an integral part of the Community.

Should the result of the referendum being organized next year on the question of whether or not Greenland should continue to belong to the Community cause Denmark to apply for a change in the status of Greenland within the Community, the Commission will give very careful consideration to that request. However, until any such request is received, the Commission cannot enter into any conjecture as to the possible nature of a new status for Greenland.

Clearly, though, any change in the status of Greenland would require an amendment to the EEC Treaty pursuant to the terms of Article 236 of the Treaty.

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Question No 13, by Mr Enright (H-546/81)

Subject: Aid to Vietnam

Will the Commission state what political considerations have prevented them from resuming aid to Vietnam and, in particular, whether it has been brought about by relations with ASEAN?

Answer

The Commission has nothing to add at the present time to the answers which have already been given to Written Question No 334/81 by Mrs Lizin and Oral Questions H-157/81 by Mr Denis, H-360/81 by Mrs Poirier and H-534/81 by Mr Lomas.

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Question No 20, by Mr O'Donnell (H-444/81)

Subject: Shannon estuary — Ireland

Reports of many studies indicate that the Shannon estuary has enormous potential for development as a major deep-sea port and as an industrial location. Would the Commission be willing to support such development and, if so, by what means?

Answer

The way in which the economic potential of the Shannon estuary should be developed is set out in Ireland's regional development programme for 1979-1983. The Commission has already contributed to financing certain development investment in this area via the European Regional Development Fund and might be in a position to do so again later.

The Commission would also point out to the honourable Member that the European Investment Bank and the new Community lending instrument — bearing in mind the conditions stipulated before

application of these instruments — are in a position to grant loans for infrastructure and industrial investment provided that such investment is clearly to the benefit of the development of the area concerned.

An interest subsidy may be available on such loans under the terms of the European Monetary System.¹

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Question No 21, by Mr Newton Dunn (H-524/81)

Subject: Financial consequences of Article 144

If — and we all hope it will never be necessary — Parliament voted according to Article 144 of the Treaty of Rome, and after the Commissioners had resigned and had been replaced, are there any provisions for ex-Commissioners to receive during the remainder of their four year term a salary-in-lieu or continued contributions towards a pension or a financial benefit of any other kind?

Answer

In the event of resignation following a resolution conforming to Article 144 of the Treaty of Rome, the financial regulations applicable to Members and former Members of the Commission do not contain any specific rules.

Nevertheless it should be noted that ex-Commissioners who have resigned have benefited from the provisions of the above-mentioned regulations in respect of their actual period of service.

The Commission would draw to the attention of the honourable Member the fact that it has already answered (in reply to written Questions 1071/80 and 177/80) questions relating to the conditions governing the award of a transitional allowance or a former Member's pension in the event of cessation of duties.

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Question No 22, by Mr Collins (H-543/81)

Subject: Effects of lead poison on health

Is the Commission aware of the recent British study by a team headed by Dr Yule which discloses the effects of lead poison on intelligence and what action does the Commission propose to take in the light of this report to prevent further damage to the health of future generations?

Answer

The Commission has full knowledge of the pilot study conducted by Dr Yule and co-workers of the Institute of Psychiatry in London on 'The relationship between blood lead concentrations, intelligence and attainment in a school population'.

This preliminary study examined children whose blood lead levels had been determined within the framework of the application of the Council Directive (77/313/EEC) of 29 March 1977 on biological screening of the population for lead. A report on the results of the first screening campaign foreseen by this Directive has been transmitted to the Council and Parliament at the beginning of this year.

We hope to soon have the reactions of the Parliament to this report.

¹ Council Regulation (EEC) No 1736/79 and Council Decision 79/691/EEC of 3 August 1979. OJ L 200 of 8 August 1979.

The findings of Dr Yule and co-workers, suggesting small but significant associations between blood lead levels and attainment scores on tests of reading, spelling and intelligence, but not on mathematics are certainly of concern to the Commission.

However it must be pointed out that this is a preliminary study carried out on only 166 children and that the authors themselves conclude that caution is necessary in interpreting these findings, in view of the crude measure of the available social factors.

Similar studies have been carried out elsewhere. While evidence is building up that at high levels of lead exposure the negative effects on attainment and intelligence may occur, the available studies are contradictory at the blood lead levels examined by Dr Yule and co-workers.

Following the results obtained by the second sampling campaign, currently underway, within the framework of the previously mentioned Directive, the Commission will, on the basis of all available evidence, consider proposing to Council an amendment of the Directive:

- extending it in time (now limited to 4 years)
- reviewing the blood lead reference levels
- including other toxic metals such as cadmium and mercury.

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Question No 24, by Mr Haagerup (H-573/81)

Subject: Form of packaging for milk and juice

Further to my oral question H-73/81,¹ may I ask whether the Commission interprets its proposal for a directive to the effect that an individual Member State, such as Denmark, may opt to retain its present system of packaging for milk and juice, i.e. cartons, and whether the Commission can state how much more expensive a litre of milk is expected to become in Denmark, for instance, if the proposal for a directive is interpreted by the Danish Government in such a way that it is made compulsory to switch to returnable packaging in the form of glass bottles?

Answer

I should like to assure the honourable Member — as Mr Narjes did on 15 June — that there is no provision in the proposal for a directive for the exclusive use within the Community of returnable and reusable packaging. If the directive is adopted it will urge the Member States to reduce the burden on the environment caused by one-way packaging and to encourage less consumption of energy and raw materials.

The honourable Member will recall that in reply to his earlier question Mr Narjes stated that it will be left to each Member State to take the necessary measures to achieve the aims of the proposal, provided that such measures are compatible with the Treaty and in line with the provisions of the directive. In practical terms, this means that the Member States must not create barriers to trade and that they must establish each year and for each category of packaging materials the targets for the following year with regard to the reduction of tonnage and/or amount of packaging contained in household waste and the increased use of packaging which can be reused or recycled. Furthermore, all the measures proposed in implementing the directive will be communicated to the Commission and every two years the Member States will submit a report on the extent to which their annual estimates have proved correct.

There is no way that a Member State may interpret the directive as meaning that the use of all forms of packaging other than returnable bottles would be banned.

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¹ Proceedings of the European Parliament No 272.

Question No 25, by Mr Ryan (H-576/81)

Subject: Inadequate oil refining facilities

Has the Commission considered the problems of insecurity of oil supplies for a Member State arising out of such Member States not having facilities, or adequate facilities, for the refining of oil and, if so, with what result? If this problem has not been considered, should urgent consideration not be given to the matter now?

Answer

The Commission feels that it is not possible to state as a generalization that the import of petroleum products provides less security than the import of crude oil. An importer of petroleum products has complete freedom to obtain supplies of these products from refineries inside or outside the Community, consequently the diversification of his sources of supply can be greater than that of a refiner. As a result, the importer of petroleum products may be less vulnerable to a breakdown in oil supplies.

The Commission does recognize, however, that the closing down of a refinery can adversely affect security of supplies — especially if the refinery is vital to the supply of a specific market — if no satisfactory alternative arrangements can be agreed.

In its communication to the Council of 29 October 1981 concerning the oil refining industry, the Commission recognized this problem and stated that the closing down of refineries must not jeopardize security of supply for the country in question. Where necessary, undertakings will have to guarantee the permanence and price of imports of petroleum products and the maintenance of an adequately high level of supplies.

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Question No 26, by Lady Elles (H-579/81)

Subject: Parking facilities for the disabled

Can the Commission now state what progress it has made in its efforts to encourage implementation of the recommendation regarding parking facilities for the disabled adopted by the European Conference of Ministers of Transport on 6 December 1979 for Member States to adopt reciprocal arrangements by 2 January 1980?

Answer

As already indicated in previous answers to earlier Parliamentary questions on the same issue, the Commission supports the objectives of the 1977 Recommendation of the European Conference of Ministers of Transport (ECMT) and sees no reason to duplicate the work of the ECMT in this area.

The Commission is nevertheless aware of the need to improve provisions for special parking facilities within Member States, without which reciprocity between Member States can only be of limited significance. The Commission is conscious of the particular responsibilities of local authorities in this respect, and considers there is much scope for further action at local level to remove the various barriers to mobility of disabled people. This was one element of the Commission's recent communication¹ concerning future Community action to promote the social integration of disabled people, which was the subject of a Resolution agreed within the Council on 8 December 1981.

¹ COM(81) 633 final of 29 October 1981.

Question No 27, by Mrs von Alemann (H-580/81)

Subject: Results of the consultations held in France on the construction of nuclear power stations

The consultations held in France showed a majority in favour of further construction work at the nuclear power stations at Chooz and Cattenom. Given the reservations of the citizens of Belgium and Luxembourg living nearby, has the Commission considered the consequences of this situation, particularly in the context of the directive concerning the assessment of the effect on the environment of certain public and private works?

Answer

The decisions taken recently by the French Government on the nuclear power stations at Chooz and Cattenom have once again highlighted the problems of nuclear power stations sited near national borders. The Commission is fully aware of the magnitude of these problems and is therefore firmly convinced that there is a need for action at Community level. It has therefore taken a number of steps:

- As early as 1976, the Commission proposed to the Council the setting-up of a *general system* of mutual consultations on the siting of power stations at Community level.¹ The Council's sole response to this was to pass a resolution covering only a mutual exchange of information between the Member States on the modalities of the siting of power stations.² This exchange of information has taken place and a report is in preparation.
- The Commission has also proposed to the Council for the *special cases of power stations in frontier regions* that a consultation procedure involving the Member States concerned be made mandatory by way of a regulation.³
- The Council rejected this proposal in 1978 as being premature, whereupon the Commission reintroduced its proposal in 1979. Consultations within the Council have become protracted, and despite repeated urging, no agreement was reached at the last meeting of the Energy Council in October of this year.
- At the same time, consultations are underway concerning a Commission proposal for a Council Directive on the assessment of the environmental effects of certain public and private projects which could have a considerable effect on one or more other Member States.⁴ The main idea here is that the Member State entitled to grant approval for the project in question should, in good time before the decision to invest is taken, provide the other Member State or Member States with all the information needed to enable the country or countries to form their opinion. The directive is intended to apply also to power stations in frontier regions, with the result that, in the case of nuclear power stations, the provisions laid down in Article 37 of the Euratom Treaty concerning the examination of any plans for the disposal of radioactive waste would be supplemented by a general environmental impact assessment. This proposal too has so far failed to receive the approval of the Council. Consultations are still in progress.

As regards the nuclear power stations at Chooz and Cattenom, the Commission understands that mutual consultations have taken place between the French and the Luxembourgish authorities on the Cattenom power station and between the French and the Belgian authorities on the Chooz power station. The Commission takes the view that this has once again highlighted the need for a mandatory mutual consultation procedure to be introduced in such cases and for a general environmental impact assessment to be carried out on the basis of the views expressed by the Member States concerned, both processes to take place before any decision is taken on a particular site. The Commission will therefore be urging the Council to adopt the two proposals.

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¹ OJ C 31 of 8 February 1977
² OJ C 286 of 30 November 1978
³ OJ C 149 of 15 June 1979
⁴ OJ C 169 of 9 July 1980.

Question No 28, by Mr Lezzi (H-581/81)

Subject: Cultural cooperation with Third World countries

A short time ago in Perugia, now in Liège, and next in who knows which other university in a member country of the European Community, students from the Third World are compelled to resort to hunger strikes in protest against government measures — usually ambiguous and arbitrary — which restrict in a discriminatory way their access to universities in the Member States of the Community. What action does the Commission intend to pursue to ensure that, in compliance with the guidelines put forward by the ACP-EEC Assembly and more generally with the right to study, fairer arrangements are applied governing the admission of students from the Third World to universities in the Member States of the Community?

Answer

The Commission has taken note with interest of the conclusions of the ACP-EEC Parliamentary Assembly. It is aware of the different problems facing Third World students in Europe, but it would emphasize that, generally speaking, these have to be dealt with at national level.

Within the terms of Article 141 of the Lomé Convention, it is the ACP countries which are responsible for nominating those of their nationals to benefit from the training opportunities in the Community.

The Commission monitors the situation of ACP students in the Community and takes action, within the limits of its competence, to ensure that they are not subject to discriminatory measures. The Commission seeks for example, to maintain comparability between student grants provided in the context of bilateral agreements and grants provided by the Commission.

The Commission has recently launched a comparative study on the conditions of admission of ACP students to training and higher education in Europe, with a view to providing a basis for concerted action by Member States in this field. This work will complement action already undertaken by the Commission with regard to admission policies to higher education for EEC nationals.

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Question No 31, by Mrs Gredal (H-590/81)

Subject: Community aid for Greenland

The Danish press has recently quoted Commission sources to the effect that, if Greenland were to withdraw from the European Community, it could negotiate for development aid on the same lines as the present ACP countries. It has also been claimed that Greenland could obtain fishery and development aid agreements similar to those the European Community has with Senegal and Guinea Bissau.

In view of this and the Commission's unsatisfactory answer to Written Question No 609/81, what comments does the Commission have to make on whether Greenland could count on such aid if it were to withdraw?

Answer

- 1) Greenland is part of the Community by virtue of the wording of Article 227, paragraph 1, of the Treaty which states that it 'shall apply to . . . the Kingdom of Denmark'.

In the event of a situation such as envisaged by the honourable Member — Greenland's withdrawal from the Community but remaining a part of the Kingdom of Denmark — there can be no possibility of general agreements between the Community and Greenland for development aid of the kind which exist with Senegal and Guinea Bissau, because the agreements with these countries are based on Article 238, which covers the conclusion of association agreements with a third State, a union of States or an international organization.

The situation envisaged by the honourable Member would be more akin to the relations between the Community and the overseas countries and territories, as laid down in Articles 131-136 of the Treaty. It would be necessary in this instance to amend the Treaty by changing Article 227,

paragraph 1, and by altering the list of overseas countries and territories in Annex IV to the Treaty. Article 236 of the Treaty provides for its amendment.

In any case, a strict analogy cannot be drawn between the situation of the overseas countries and territories and the hypothetical case of Greenland. One basic difference is that the countries referred to in Article 131 and Annex IV of the Treaty have never been an integral part of a Member State, let alone the Community. The idea was to associate countries and territories, especially as regards customs arrangements, with the pattern of development of the Community to which they could not belong. Furthermore, the economic and social situations of Greenland and the present overseas countries and territories cannot as a matter of course be considered analogous. The territories at present under OCT status are situated essentially in the Caribbean and Pacific. Their economic conditions, level of development and development potential are rather similar. As Greenland's conditions may be fundamentally different, any decision on the granting of OCT status would most probably be subject to thorough examination of the country's overall economic situation and development perspectives (population, level of income and education, infrastructure, resources, etc).

Although the situations can in no way be compared, some figures can be given for territories with similar populations. The Community's commitments over five years (1980-1984) are as follows for three overseas territories: Antigua (population 73 000; 2.7 million EUA); St Kitts-Nevis (population 50 000; 2.2 million EUA); Montserrat (population 11 600; 2.98 million EUA).

- 2) With regard to the specific problem of fishery, it must be said first of all that the tariff system applied to the exports of fish is the same for the ACP and the OCT countries, being based on Regulation (EEC) 435/80 of 18 February 1980. The system has led to a general tariff exemption for the products in Annex II, none of which is in direct competition with any Community product. Protective barriers remain in the case of competing products (tomatoes, for example). It is obvious that fishery products from Greenland will be in direct competition with Community products, which means that the abolition of protective barriers would present a problem.

It must be remembered that the common fisheries policy does not apply to the overseas countries and territories. Consequently, all future arrangements in the fishery sector would have to be worked out.

If Greenland were to withdraw from the Community, nothing would prevent the negotiation of a fishery agreement between the Community and that territory. But before such negotiations get under way, it is difficult to envisage what the detail of any agreement might be. If the framework agreements between the Community and Canada are taken as an example, it is possible there might be reciprocal arrangements for the rights of Community vessels to fish in Greenland's waters and for access to the Community market of fish from Greenland. The example quoted gives an indication of the limitations which affect this kind of agreement.

There might also be agreements of the kind which the Community has signed with Senegal and Guinea Bissau. Clarification of these was given by the Commission in its reply to the honourable Member's Written Question No 609/81. There is however no precedent for any country enjoying the benefits of both kinds of agreement.

It must be remembered that the fishery products of both the ACP and the OCT countries do not enjoy the support measures which help the Community's fishing industry. The financial aid which comes through the common organization of fisheries is assumed to be restricted to those who are bound by the common fisheries policy.

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Question No 32, by Mr Pantazi (H-589/81)

Subject: Discrimination against Greek students in Belgium

Given the fact that Greece has been a full member of the EEC for a year now and bearing in mind the decision by the Council of Ministers of 27 June 1980 on equal treatment as regards tuition fees for students from EEC Member States, we should like to point out that for the current academic year Greek students in Belgium are being required to pay between BFR 80 000 and BFR 150 000 as university registration fees whereas their Belgian fellow-students are being charged only BFR 11 000. What measures does the Commission intend to take to put an end to this discrimination against Greek students?

Answer

The Commission is aware of the situation regarding the payment of course fees in higher education institutions in Belgium. The Commission stated its position on the issues raised by the honourable Member on the occasion of its reply to Written Question No 1031/81.

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Question No 33, by Mr Møller (H-591/81)

Subject: Imports of Perrier into Denmark

Does the Commission agree that the Danish Government has to accept free imports of Perrier mineral water when the importer undertakes, by means of a deposit arrangement, to see to it that the empty bottles are returned for recycling or reuse?

Answer

The Commission takes the view that the free import and sale of Perrier mineral water in Denmark may not be prohibited, regardless of whether or not a deposit arrangement exists. The same applies to other beverages legally manufactured in a Member State and sold under the terms of intra-Community trade.

From the point of view of the environment, the Commission regards returnable deposit arrangements as a suitable means of encouraging the return of empty bottles and thus keeping the environment clear of unwanted used bottles. However, experience in a variety of Member States has shown that there are other means of protecting the environment in this respect, in particular by means of the recycling of used bottles. For this purpose, many places have set up special glass receptacles or instituted a system of collecting particular items of household refuse (e.g. cardboard and glass) separately or are using special refuse sorting processes.

The Commission therefore takes the view that there are other effective means of disposing of used bottles in the interests of environmental protection apart from returnable deposit arrangements.

For these reasons, and with a view to maintaining the free movement of goods within the Community, the Commission thinks it unacceptable for a Member State to make the sale of drinks by an importer or manufacturer dependent on the obligation to institute a deposit arrangement. To impose such an obligation, disregarding other adequate means which would serve the same end, is liable to have an inordinately adverse effect on trade between the Member States which cannot be justified for reasons of environmental protection. As such, it represents a measure having equivalent effect to a quantitative restriction on imports in the meaning of Article 30 of the EEC Treaty.

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Question No 36, by Mr Patterson (H-599/81)

Subject: British wine

Does the Commission intend to include British wine growers in the latest proposals for wine regulations specifying the type of sugar added to wine; is the Commission aware that British wine growers would have to import all the specified sugar additives, i.e. liquid grape products — from the Continent, and that this would considerably raise the cost of British wine in view of the large amount of sugar needed in British wine due to the nature of our climate? Does the Commission consider that this would be discriminatory against the UK wine growers which would lead to distortion of competition and in the light of this, will the Commission take steps to ensure a derogation is established for the UK in respect of these proposed wine regulations?

Answer

From a reading of the question it is clear that it is not British wine that is at issue but English wine which is made from fresh grapes grown in England.

Enrichment by the addition of sucrose is prohibited in the southern parts of France (excluding the Bordeaux area) and in Italy, Greece, Spain and Portugal. In these areas, addition of concentrated grape must and partial cold concentration are the only enrichment methods allowed. These procedures require the use of 'vine-products' of which the cost per degree of alcohol, in relation to the market price of table wine, is approximately twice that of the degree of alcohol achieved by the addition of sucrose. Enrichment by the addition of sucrose is, however, permitted in the northern part of the Community, including the United Kingdom. This situation results in economic discrimination against wine growers in the southern part of the Community.

The Commission's most recent proposal¹ is not designed to prohibit the use of sucrose where it is present authorized but to subject its use in the wine-making process to the payment of a levy covering the difference between the price of the sucrose and that of 'vine-products'. The Commission is, therefore, not attempting to create economic discrimination but on the contrary to establish a situation that is more equitable for all wine-growers in the EEC.

The valorization from which English wine benefits on the market will enable it to bear this slight increase in costs.

Question No 38, by Mr van Aerssen (H-602/81)

Subject: Trilateral monetary agreement

What view does the Commission take of the proposal for a trilateral monetary agreement encompassing the three major currency zones of the dollar, the yen and the ECU, under which the margin of fluctuation of these currencies would be limited to roughly 10% either side of a central rate which could be adjusted to take account of any changes in basic economic conditions, an indicator of divergence on the lines of that used in the European System would be introduced and exchange rates could be stabilized as a result of closer coordination of interest rate policies?

Answer

The Commission takes the view that the 'trilateral monetary agreement' the honourable Member refers to is an example of the application of an idea which the Commission has brought up for discussion on a number of occasions in the past. Likewise, in the preamble to the draft fifth programme for a medium-term economic policy, which this House will be debating in this session, the Commission has proposed the resumption of a 'concerted action' with our major trading partners with the aim of keeping fluctuations on the foreign exchange markets within 'probability zones', i.e. within margins which represent a reasonably flexible response to the joint assessment of trade and monetary trend data.

Only very recently, on 15 October, Vice-President Ortoli, speaking in this House on the latest change in the central rate, reiterated the proposals he had put forward on a previous occasion, stressing that the important thing was to reach agreement with our major partners on certain types of development which we, like they, believe to be sensible, without however going into excessively constraining details. Clearly, cooperation with our partners in the monetary policy sphere will have to be strengthened, although this can only be done if the others themselves agree to participate in closer cooperation along these lines. Only at a second stage, when this first point has been cleared up, will it be possible to discuss details and put forward technical proposals of the kind the honourable Member has in mind.

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¹ COM(81) 408 of 15 October 1981.

Question No 39, by Mrs Poirier (H-603/81)

Subject: Refunds in respect of products of the wine-growing sector and fruit exported in the form of spirituous beverages

The inclusion of whisky and other grain spirits in the common organization of the market in cereals has given rise to discrimination against other spirituous beverages. Protocol No 19 of the 1972 Treaty of Accession prohibits all forms of discrimination in the field of spirituous beverages. In order to prevent the other producers of spirituous beverages from being penalized, has the Commission decided to propose granting refunds in respect of exports of products of the wine-growing sector and fruits used in the production of spirits?

Answer

When wine sector products are distilled as part of intervention measures, aid is granted without regard to the final geographic destination. When they are exported as spirituous beverages, this aid works in the same way as an export refund.

Similar procedures, although the methods are different, apply in the case of fruit which is withdrawn from the market and distilled as part of intervention measures. Alcohol obtained by distillation must exceed 80% by volume. These measures have been applied since 1966 in the case of fruit and since 1970 in the case of wine and they have been viewed as satisfactory by the Member States.

In the more specific case of French potable spirits which are entitled to a certificate of designation of origin (such as cognac, armagnac and calvados du Pays d'Auge) there are no great difficulties at the moment as regards the export of these spirits. An export refund could not therefore be justified on economic grounds. Furthermore, since French law on the registered designation of origin restricts these designations to processed products based on agricultural products from a specific area, no product from a third country can be manufactured with equivalent raw materials. In the circumstances, it would be impossible to grant export refunds to these products.

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Question No 40, by Mr Bucchini (H-605/81)

Subject: Community rules relating to clementines

Owing to the almost total absence of Community protection, the clementine producers of Corsica are confronted with many difficulties. In order to remedy this situation, will the Commission on the one hand include clementines in the common organization of the market in citrus fruits so as to extend the system of basis and buying-in prices to these products and, on the other, increase the reference price which has been frozen since 1975?

Answer

The Commission has no plans to include clementines in the system of basis and buying-in prices. Furthermore, the Commission has made a proposal to the Council, in the context of amending the Community patrimony, for the steady removal of the marketing premium for clementines (as well as for lemons) from the 1982-83 season. In the Commission's view, this removal must go hand-in-hand with a gradual adjustment of the reference price and proposals on this will be submitted to the Council along with the prices package.

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Question No 41, by Mr Griffiths (H-608/81)

Subject: Non-quota section of the ERDF

Can the Commission explain why of the five measures adopted under the non-quota section of the ERDF, the only two which are not underway according to Information Memo P-65, page 5, are

those for 'certain zones adversely affected by restructuring of the steel industry' and for 'certain zones adversely affected by restructuring of the shipbuilding industry'?

Answer

The Commission informs the honourable Member that the Belgian and United Kingdom Governments have introduced specific programmes of regional development regarding certain areas of Belgium and the United Kingdom affected by restructuring of the steel industry. The Commission is currently examining these programmes. On the other hand, Italy has not yet presented its specific programme. The United Kingdom has not yet presented its specific development programme for specific regional development on behalf of certain areas adversely affected by restructuring of the shipbuilding industry.

The Commission is unaware of the reasons for delay.

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Question No 42, by Mr Habsburg (H-610/81)

Subject: Transparency of relations with State-trading countries.

In its answer to my Oral Question H-567/81,¹ the Commission shows once again that it fails to understand the facts of the situation. It does not seem to realize that there is a fundamental difference between State-trading countries, with their priorities of political subversion, and the countries of the free world, which operate on the basis of purely economic criteria. In the latter case secrecy is justified and in the former it is not, because under totalitarian régimes manipulation is normal practice.

Is the Commission aware of the fundamental difference between the countries of the free world and the State-trading countries in the field of foreign trade, particularly in foodstuffs and raw materials and, if so, is the Commission prepared to introduce a new system for relations with State-trading countries which is so transparent to the public and its elected representatives that there can no longer be any justification for the sort of criticisms levelled against us in the past, e.g. to the effect that we deliberately squandered our surpluses on the Soviet Union?

Answer

The Commission fully appreciates the basic differences between free and State-trading countries in the area of external trade as referred to by the honourable Parliamentarian. The Commission, however, does not believe that any distinct separation should be made between the two for export policy of agricultural products. In its answer to Oral Question 567-81, the Commission referred to its desire to retain the principle of commercial confidence with regard to disclosure of details of operations by particular operators. It reaffirms this principle irrespective of destination, whether applied to State-trading countries in Eastern Europe or in Africa and South America.

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Question No 43, by Mr Provan (H-612/81)

Subject: US manufacturing clause in US Copyright Act

As the US Copyright Act disallows some European literary works to enter the American market, will the Commission make representations to the American authorities to make certain that this clause is repealed from 1 July 1982 and that the US printers lobby to have the clause retained, is abandoned so that free trade can take place?

¹ Report of Proceedings of 18 November 1981.

Answer

The Community has repeatedly stated that this clause constitutes a barrier to trade in that it restricts exports by the Community's printing industry. A communication to this effect has been sent to GATT. The Commission also finds that the clause contains an element of discrimination because of the preference given to Canada. The early removal of this obstacle to trade is clearly in the interests of the European Community. For this reason the Commission urged the US Government, during the high-level consultations on 19 and 20 November, to do all it could to have the relevant section of the act repealed.

The Commission will observe developments in this matter closely and will make representations in due course to the US authorities with a view to having this clause repealed.

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Question No 44, by Mr Bøgh (H-616/81)

Subject: Measures by the Commission in respect of officials

What measures does the Commission intend to take in respect of officials who, in the course of their work for the Commission, infiltrate the political decision-making process within a Member States?

This question is prompted by two confidential notes from a high-ranking Danish Community official to a Commissioner which were printed on 16 October 1981 in the organ published by Siumut, a political party in Greenland. In these notes the official proposes, following a visit to Greenland, that large sums of money be used to influence certain organizations and named individuals prior to the referendum on Greenland's continued membership of the Community. He justifies a massive financial effort by reference to the Community's great interest in Greenland in geographical and political terms and from the point of view of raw materials.

Answer

Officials of the Commission do not interfere in the internal political decision-making process of any Member State.

This is also the case for officials from the Directorate-General for Press and Information. Their function is to provide information concerning the European Communities and their activities. Given the present discussions going on in Greenland concerning future relationships with the European Community there has been a growing demand for information which the Copenhagen office does its utmost to satisfy. There has been no criticism in Greenland about the supply and quality of information from the Community office in Copenhagen; on the contrary, their services are considered a useful source of reference in the ongoing discussions.

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Question No 45, by Mr De Goede (H-622/81)

Subject: Accession of Spain and Portugal

Spain is regularly faced with threats or attempts to overthrow its newborn democracy, for example the unsuccessful coup by Colonel Tejero, the large demonstration to mark the anniversary of Franco's death, etc. With a view to the future accession of countries such as Spain and Portugal, will the Commission state clearly that membership is conditional upon the maintenance of parliamentary democracy?

Answer

The principles of democratic pluralism and respect for human rights are part of the common heritage of the people of the Member States of the European Community and thus represent fundamental criteria for membership of the Community. As with Greece, these principles will be incorporated in

the opinion which the Commission will be required to give with regard to both Spain and Portugal, in accordance with Article 98 of the ECSC Treaty, Article 237 of the EEC Treaty and Article 205 of the Euratom Treaty, at the end of the current accession negotiations. These opinions will be published together with the accession treaties.

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Question No 46, by Miss Hooper (H-624/81)

Subject: Price of sugar as a raw material

What action does the Commission propose to take to rectify the negative discrimination against the UK confectionery industry, since UK processors pay 10% more for their raw material sugar than other EEC processors, and MCAs no longer apply to the sugar confectionery industry because of the *de minimis* provision and since refunds on exports of sugar in bulk are up to 50% higher than refunds on exports of sugar-based processed products?

Answer

The Commission does not accept the assertion that United Kingdom processors pay 10% more than other Community processors. In fact, according to EEC industry sources, the price, net of taxes, of white sugar to its United Kingdom members is in the lower half of the range of such prices elsewhere in the Community.

The current difference between the export refund for sugar in bulk and the export refund for sugar in processed products is not up to 50% as suggested by the honourable Member but about 2%. Last year Community exporters of sugar paid export levies whereas the exporters of processed goods were exempt from such levies. None the less, the Commission is actively reviewing the method of calculation of the export refund for sugar in processed goods, in order to ensure that they are calculated on a fair and stable basis. The continuing export of sugar-based processed products is, of course, not only in the interest of processors but also of the Community's sugar producers.

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Question No 47, by Mrs Martin (H-625/81)

Subject: Level of refunds for milk products

As the statistics for the last three months show a drop in French exports of milk products, notably butter, butter-oil and skimmed-milk powder, does the Commission intend to raise the levels of refunds as a matter of urgency to reflect the increase in the target price last April and to counter the sharp rise in positive MCAs which is increasing distortions of competition among the Member States of the Community?

Answer

The Commission is well aware of the current hesitation in international trade and keeps the export policy under constant review. After taking the advice of the management committee, the Commission decided not to increase the level of refunds. With the exception of butter-oil and skimmed-milk powder, exports in the first eight months of 1981 have been very satisfactory. For butter-oil it must be remembered that 1980 was an exceptional year for exports and, if compared with 1979, exports so far

this year have increased by 27%. In the case of skimmed-milk powder the reduction of exports during 1981 did not result in a comparable increase in stocks; stocks are decreasing and can be expected to decrease even further.

The Commission will continue to follow the market very carefully.

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Question No 48, by Mr Clinton (H-627/81)

Subject: Co-responsibility levy on milk

In view of the serious drop in farmers' incomes (over 50% in Ireland) will the Commission propose that the co-responsibility levy be dropped?

Answer

The Commission has made clear in its recent document 'Guidelines for European Agriculture' (COM(81) 608 final) that it considers that at the present time the co-responsibility levy should be maintained. It has also indicated that in these circumstances the first 30 000 kg of milk delivered by dairy farmers could be exempted from the basic levy.

The Commission attaches great importance to improving the revenues of farmers but there remains a serious imbalance in the milk market. The Commission has been encouraged, however, that consumption of milk products in 1981 now seems likely to rise more quickly than production; that budget expenditure on milk and milk products has fallen substantially in 1981; and that the revenues of producers of animal products are likely to show a marked improvement in the second half of 1981.

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Question No 49, by Mr McCartin (H-628/81)

Subject: Unemployment — New measures

What new measures does the Commission intend to propose to counteract the high level of unemployment?

Answer

The honourable Member is referred to the fruitful debate on employment policy at the plenary session in September 1981. On that occasion the Commission set out its analysis of the employment situation, and the type of strategy and policy response that is being developed at Community level. This covers:

- actions of a more general economic nature, aimed at removing constraints on the improvement of an industrial competitiveness, re-establishing economic growth and bringing about a recovery in employment;
- specific economic and social measures, which will be necessary to complement the general economic strategy.

Following the discussions at the joint Council meeting, the Commission is preparing concrete proposals and stepping up analytical and fact-finding work in the following areas:

- inflation and unemployment;
- employment effects of public expenditure;
- social security systems and employment;

- patterns of working time;
- education, training and work opportunities for the young;
- employment creation in new areas of growth and in small and medium-sized firms.

The last two areas mentioned were the subject of an initial Commission communication in October entitled 'Job creation: priorities for Community action'. More detailed proposals for action are being developed, particularly in the context of the forthcoming review of the Social Fund.

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Question No 50, by Mr Rieger (H-630/81)

Subject: Exploratory talks with Hungary

In view of the positive and attractive development of Hungary's external trade policy, does the Commission not feel it appropriate to open exploratory talks with that country with a view to negotiating a trade and cooperation agreement?

Answer

In November 1974 the Community proposed to Hungary a draft trade agreement which was designed to replace the Member States' trade agreements which were then expiring.

To date, the Hungarian Government has not responded to our offer of negotiations. As far as the Community is concerned, the offer remains open.

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Question No 52, by Mr Prag (H-634/81)

Subject: Need for Community legislation to avoid the poisoning of young children by dangerous domestic products

In view of the fact that every year, in England and Wales alone, more than 11 000 children under the age of five suffer accidental poisoning by dangerous household and garden products, such as bleach and disinfectant, and that the numbers are increasing at probably more than 15% per year, will the Commission introduce a directive making compulsory throughout the Community the use of child-resistant containers for such products and, in particular, for liquid household products of this kind?

Answer

The IOS (International Organization for Standardization) is concerned at international level with drawing up standards for child-proof packaging of containers for dangerous liquids. The Commission is keeping the work in this field under observation and will, if necessary, submit a suitable proposal in due course.

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Question No 54, by Mr Moreland (H-636/81)

Subject: Sale of tickets for the World Cup for football in Spain

Does the Commission consider that the exclusive contracts between Mundiespana-82 (the Spanish organizing authority) and selected national ticket-selling agents such as Sportsworld Travel, for the

sale of tickets for the World Cup for football in Spain to be anti-competitive and detrimental to interests of the consumer in the Community and that action should be taken and/or representation made to the Spanish authorities?

Answer

The Commission does not have reliable information on the matter referred to by the honourable Member of Parliament. There has been no notification; nor have any complaints been received in this connection. It would appear on the limited information available at present that the arrangements in question are unlikely to have an important effect on competition and trade in the Community.

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Question No 55, by Mr Treacy (H-639/81)

Subject: Rejection by the Council of the proposed regulation on the ERDF

Will the Commission give its reaction to the recent rejection by the Council of its proposed regulation on the ERDF, within the context of the 30 May mandate?

Answer

The Commission sent the Council a proposal for a regulation (EEC) amending the regulation creating a European Regional Development Fund on 26 October 1981.¹ The Council has started to examine this proposal in accordance with Community procedure. No decision has therefore been taken on the matter.

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Question No 56, by Mr Pattison (H-640/81)

Subject: Proposals to alleviate youth unemployment

Can the Commission state what specific proposals it has currently under review to alleviate unemployment in the under-25 age group in view of the continuing deterioration in employment for that age group?

Answer

The Commission summarized its position concerning youth unemployment during the course of the Parliamentary debate on employment in September and in its October communication concerning 'Job creation: priorities for Community action'. The Commission through its financial instruments and particularly the Social Fund, will support the development of the basic strategy, already outlined by the Commission, and the achievement of the medium-term target of ensuring that every young person under 18 is guaranteed opportunities for education, training and work experience. More detailed policy proposals are currently being prepared to complement and carry forward existing activities in the area of the transition from education to working life, alternance training and job creation.

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¹ COM(81) 589 final of 26. 10. 1981.

Question No 57, by Mr Rossi (H-643/81)

Subject: Protection of the professional organizations covering wines of designated origin

Could the Commission state what legal and economic requirements a proposal for a wine agency would have to fulfil in order to be considered compatible with the Treaty of Rome? While an agency of this kind might be useful in the case of wines not covered by fixed arrangements (table wines, local wines), would it be compatible with the provisions of the Treaty if it also dealt with registered designations of origin which for many years have been subject to a disciplined and efficient interprofessional organization that has produced entirely satisfactory results? Could the Commission also consider the case in which the wine agency did not take in the interprofessional organization but included the National Institute for Registered Designations of Origin, as this would effectively deprive the profession of the free management of its designations?

Answer

Any national measures seeking by means of agencies or other methods to improve the operation of the market in agricultural products must not hinder the operation of the common organization of the market in the product in question. To the extent that this requirement is met, it is possible that the wine agency planned by the French authorities may also deal with designations of origin.

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*II. Questions to the Council**Question No 64, by Mrs Scrivener (H-462/81)*

Subject: Indexing of wages in the EEC

Can the Council indicate what action it intends to take on the communication from the Commission concerning the indexing of wages in the EEC and does it hope to follow the Commission's recommendations concerning the adjustment of the reference price index and limits on automatic wage adjustments given that European trade unions have recently expressed their opposition to any form of Community instrument on indexing?

Answer

The Council had a first exchange of views on the Commission communication on indexing in September 1981. At the time it found that the problems raised by indexing were perhaps more complex and sensitive than the Commission communication seemed to suggest at first sight. Before continuing its discussions, the Council therefore asked the Coordinating Group for Economic and Financial Policies and the Monetary Committee for their opinions on these problems and invited the Commission to pursue its consideration of the matter in the meantime.

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Question No 67, by Mr Cousté (H-497/81)

Subject: European social area

As some members of the Council have referred to the need to establish a European social area, can the Council state what it understands by 'European social area' and what means does it intend to use to achieve this objective?

Answer

At the Council meeting on 8 December 1981 the French delegation presented its government's suggestions for a European social area. The Council received this contribution with the greatest interest. With regard to future activities in the sphere of social policy, the Council will conduct its discussions on the basis of Commission proposals and bearing in mind the guidelines formulated by the European Council on the subject.

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Question No 73, by Mr Ryan (H-577/81)

Subject: Inadequate oil refining facilities

Has the Council considered the problems of insecurity of oil supplies for a Member State arising out of such Member States not having facilities, or adequate facilities, for the refining of oil and if so with what result; if this problem has not been considered should not urgent consideration be given to the matter now?

Answer

At its meeting on 27 October the Council examined a Commission communication concerning problems affecting the oil refining industry in the Community.

Among its conclusions, it recognized that the reduction of capacity and restructuring of the refining industry were necessary and should be carried out by the undertakings themselves provided that the security of supply of the regions concerned was not put at risk.

The Commission was instructed to keep the situation under review, in cooperation with the industry and governments, and to report to the Council if the need arose.

The Council has noted the statement made on that occasion by the Irish delegation on the specific situation in Ireland.

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Question No 75, by Mr Cluskey (H-584/81)

Subject: Community's poverty programme

Will the Council call on the Commission to expedite work on its poverty programme, and adopt as speedily as possible the Commission's draft decision, in order to facilitate the setting-up of a further Community programme to combat poverty?

Answer

Under the terms of Council Decision 75/458/EEC, as amended by Council Decision 77/779/EEC of 12 December 1977, the Commission is required upon completion of the poverty programme but no later than 30 June 1981 to forward to the Council and to the European Parliament a report evaluating the results.

Neither this report nor any other proposal to set up another possible programme to combat poverty is yet before the Council. The Council is therefore unable at this juncture to prejudge the discussions which it may have to conduct on this matter at a later date.

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Question No 78, by Mr Balfe (H-600/81)

Subject: Presidency of the Council

Is it the Council's intention that the Prime Minister of the country holding the Presidency will always seek to address the Parliament during the Presidency?

Answer

It has been agreed that, subject to any constitutional difficulties which there might be for one Member State, the President of the European Council will make a statement to the European Parliament after each meeting of the European Council.

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Question No 79, by Mr Pranchère (H-604/81)

Subject: British contribution to the Community budget

Can the Council confirm that the United Kingdom's net contribution to the Community budget for 1980 and 1981 will be considerably less than provided for in the agreement of 30 May and has the Council decided to rectify this situation and, if so, how?

Answer

Since it adopted its conclusions on 30 May 1980 the Council has not expressed itself on this particular question.

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Question No 80, by Mr C. Jackson (H-606/81)

Subject: Grants for higher study within the EEC

Does the Council believe there would be merit in a grants scheme at Community level for students who are EEC nationals and wish to study in EEC countries other than their own and will the Council also give a report on the progress achieved in discussion within the Education Committee since 1978 on the question of a reciprocal grants scheme?

Answer

On 27 September 1978 the Commission sent the Council a communication on a system of European Community grants for students.

The Education Committee studied this communication as part of its work on the admission to institutions of higher education of students from other Member States. In the light of that examination the Committee took the view that it would be premature to make specific proposals at this stage.

At a meeting on 22 June 1981 the Council and the Ministers of Education meeting within the Council entrusted new tasks to the Education Committee which included work on the academic recognition of diplomas and periods of study in higher education. It is therefore not possible at this stage to say when the Committee will be in a position to devote its attention to the matter raised by the honourable Member.

As already indicated in the Council's reply to Oral Question No H-320/81 put by the honourable Member, the Education Committee has devoted special attention in recent times to the main difficulties currently facing the education and training systems of the Community, i.e. how these systems will adjust to the difficult employment situation of the 1980s and to the fall in pupil and student numbers occasioned by the decline in the birth-rate from the late 1960s onwards.

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Question No 83, by Mr Bøgh (H-615/81)

Subject: Community information activities

Does the Council agree that funds set aside for Community information activities are being allocated on the basis of political considerations?

This question is prompted by a statement made by the Commission representative at a meeting of the Committee on Youth, Culture, Education, Information and Sport on 23 September 1981. He stated that in future the appropriations set aside for information purposes would be used selectively, a greater proportion of them being applied in the United Kingdom, Greece and Denmark — the three Member States where continued membership of the Community is a current political issue.

Answer

Pursuant to Article 205 of the EEC Treaty and the corresponding articles in the other treaties, the Commission implements the budget in accordance with the provisions of the regulations made pursuant to Article 209 on its own responsibility and within the limits of the appropriations.

The Commission informs the Council of the information policy which it intends to follow. However, the implementation of that policy lies within the competence of the Commission.

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Question No 84, by Mr De Goede (H-621/81)

Subject: Accession of Spain and Portugal

Spain is regularly faced with threats or attempts to overthrow its newborn democracy, e.g. the unsuccessful coup by Colonel Tejero, the large demonstration to mark the anniversary of Franco's death, etc. With a view to the future accession of countries such as Spain and Portugal, will the Council state clearly that membership is conditional upon the maintenance of parliamentary democracy?

Answer

The answer to the honourable Member's question is in the affirmative.

The importance which the Community attaches to the strengthening of democracy in Spain and the support which it offers to that end are constant features of its policy, as has just been confirmed yet again by the European Council on 26 and 27 November. The European Council in fact adopted a statement on Portugal and Spain which contained two passages of particular significance in this context:

'The European Council recalled that the Member States of the Community decided to open negotiations for the accession of Portugal and Spain in the knowledge that all the objectives of the Community, as set out in the preamble to the EEC Treaty, were shared by the democratic governments and by the peoples of the two countries concerned.'

The European Council confirmed the political commitment which was the basis for that decision and emphasized the determination of the Community to bring the negotiations to a successful conclusion and stressed the importance of continuing progress.'

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Question No 85, by Miss Hooper (H-623/81)

Subject: Price of sugar as a raw material

Is the Council aware of the discrimination against UK confectionery manufacturers since UK processors pay 10% more for their raw material than other EEC processors, and MCAs no longer apply to the sugar confectionery industry because of the *de minimis* provision, and since refunds on exports of sugar in bulk are up to 50% higher than refunds on exports of sugar-based processed products, and what action does the Council propose to take?

Answer

The introduction of a derived intervention price for the United Kingdom, which is an option provided for by the basic Regulation for deficit areas in the Community, and the fixing of this price at a high level, have had practically no effect on prices on the United Kingdom market. These prices develop freely and have reached one of the highest levels in the Community.

As for compensatory amounts for sugar, it should be pointed out that the application of such amounts is covered by general provisions which are not confined to any particular agricultural sector.

The granting of refunds on agricultural raw materials used in the manufacture of processed goods is merely an option which can be exercised by the Commission operating through the Management Committee. The fixing of the level of such refunds is therefore a matter for the Commission both for sugar exported as such and for sugar exported in the form of processed goods.

I would point out with regard to the sugar price level that, when formulating the new basic Regulation for sugar, the Council continued the system of regionalized prices in order to facilitate supplies to Community deficit areas — amongst which is the United Kingdom — and to ensure the free movement of sugar within the Community. I would point out that prices on the United Kingdom market develop freely in accordance with the law of supply and demand. The extent of demand is reflected in the fact that, since the United Kingdom's accession to the Community, no sugar has been offered for intervention in the United Kingdom, whilst the introduction of the derived intervention price for the United Kingdom had — as I stated in my reply — been provided for in the basic Regulation.

If the particular situation referred to in the question put by Miss Hooper were to give rise to discrimination, it would be for the Commission to look into the problem and, if need be, to make suitable proposals.

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* *

Question No 86, by Mr Horgan (H-626/81)

Subject: Social Affairs Council

Will the Council briefly report on the outcome of the recent Social Affairs Council?

Answer

At its meeting on 8 December last, the Council (Labour and Social Affairs) first of all adopted the Regulation extending Regulation (EEC) No 574/72 on social security to self-employed workers and members of their families. As a result, all of the rules applicable to self-employed workers and members of their families will enter into force in the near future.

A Resolution on the social integration of handicapped persons was also approved by the Council and by the representatives of the governments of the Member States meeting within the Council.

Furthermore, the Council had a fruitful discussion on the re-examination of the rules of the Social Fund which is to take place next year.

The French delegation also explained its government's suggestions for creating a European social area; these were noted with considerable interest by the Council.

Moreover, the Council had a detailed discussion on

- the Directive on the protection of workers exposed to lead;
- the proposal for a Regulation on social security and early retirements benefits in the field of social security for migrant workers.

The Council agreed to continue its work on these two questions with the utmost diligence.

III. Questions to the Foreign Ministers

Question No 88, by Mr Schwartzberg (H-569/81)

Subject: Failure of Greece to recognize Israel

Given that one of the objectives of the European Community is to achieve a certain minimum agreement on common positions on foreign policy matters, are the Foreign Ministers aware of the serious anomaly of Greece's refusal to recognize the State of Israel, which places it at total variance with the other nine Member States?

Answer

As I said in my reply to Mr Berkhouwer's question on 18 November, bilateral relations with Israel are a matter for each individual member of the Ten. The Ten's attitude towards Israel in the context of the search for Middle East peace was set out clearly in the Venice Declaration. We remain committed to this.

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Question No 90, by Mr Balfe (H-596/81)

Subject: Presidency of the Council

Is the President-in-Office aware that since this direct election of the European Parliament in 1970 no President-in-Office of the Council of Foreign Ministers has survived a full six months in office? Does this impair political cooperation and is the President-in-Office hopeful of a place in the Guinness Book of Records as the the first person to survive a full term?

Answer

In meetings between representatives of ten Member States there are inevitably frequent changes of personnel. The machinery of political cooperation is well adapted to this and continues to function well. The President-in-Office still has another two weeks of his full term to survive.

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* *

Question No 95, by Mr Denis (H-629/81)

Subject: Council initiatives in response to the aggression against the Republic of the Seychelles, an ACP State

The bloody but, fortunately, unsuccessful attack mounted on 26 November by mercenaries from South Africa against the Republic of the Seychelles, a sovereign State and signatory to the Lomé Convention, underlines once again the threat to peace in this region of the world posed by the racist and aggressive policy of the Pretoria Government. In the light of such aggression and of the daily attacks against the 'front line' States, will the ministers at last take appropriate measures in accordance with the recommendations of the UN, notably as regards the oil embargo and the ban on sales of arms to South Africa? Do they not also agree that such actions constitute the real threat to the sea links on which the countries of the European Community depend for their supplies of energy and other strategic raw materials?

Answer

Ministers of the Ten have not discussed the recent incident in the Seychelles. In the absence of a mandatory UN Security Council Resolution imposing economic sanctions on South Africa, it is for individual governments to take appropriate action. The Ten take very seriously their obligations under Resolution 418 of the UN Security Council which forbids the sale of arms to South Africa.

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Question No 96, by Mrs Ewing (H-633/81)

Subject: Amnesty International's campaign for the 'disappeared'

Will the Foreign Ministers meeting in Political Cooperation take account of the Amnesty International campaign for the 'disappeared' when coordinating their policies on the countries which have been black-listed in this campaign?

Answer

The Ten will continue to take appropriate account of all aspects of human rights when coordinating their foreign policies.

The Ten have made their views known on human rights matters on many occasions, including the Presidency speech by Lord Carrington at the United Nations General Assembly this year, when the Ten specifically deplored situations where people disappear without trace.

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SITTING OF THURSDAY, 17 DECEMBER 1981

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IN THE CHAIR: MRS VEIL

President

*(The sitting was opened at 9 a.m.)*¹

1. *Agenda*

President. — Ladies and gentlemen, it is possible that the votes on budgetary matters may be finished before one o'clock. Before we can start on the next item — the debate on the statements by the European Council on the meeting in London and on the statements by the Council of Ministers on political cooperation and the British presidency — we shall have to wait for Lord Carrington to arrive in Strasbourg at three o'clock. If the voting finishes early, I suggest that we conclude the debate on the Beazley report on competition policy and perhaps start considering the Herman report on the fifth economic policy programme.

I call Mr Blumenfeld.

Mr Blumenfeld. — *(DE)* Madam President, in accordance with Rule 87 of the Rules of Procedure, I request that my report, which is Item 319 on today's agenda, be postponed to a later part-session. I have to be at a hospital in Hamburg early tomorrow morning, and in view of the weather and traffic conditions I am afraid I shall have to leave Parliament in the course of the afternoon.

(Parliament agreed to the request)

President. — Mr Blumenfeld, please take with you our best wishes for your good health.

(Applause from various quarters)

I call Mr D'Angelosante.

Mr D'Angelosante. — *(IT)* Madam President, I have noticed a change to the effect that yesterday my seat was No 155 and today it is 156. On account of the roll-call voting which will take place today, I should like to be sure that this change is official and has been recorded and that it has not happened just by chance.

President. — The necessary checks will be made.

I call Mr von der Vring.

Mr von der Vring. — *(DE)* As the Chamber is taking some time to fill up, Madam President, let me ask a question. I have gathered from the documents that the Bureau is considering doing away with the publication of the attendance list in the minutes. I should like to ask you if you can give an undertaking — should this idea come about — that the House will be consulted, since there are many Members who fail to see the point of such economy when compared with some other expenses.

President. — The Bureau was disturbed by the high cost of these lists which most of the Members never look at. It would be better if they could be replaced by lists put up in the corridors or if they could be made available to Members or departments who wanted them. At any rate, there has been no change. The Committee on the Rules of Procedure and Petitions will be consulted on whether such an amendment should be put to the House, which alone has the final say on the matter.

I call the Committee on Agriculture.

Sir Henry Plumb, *chairman of the committee.* — Madam President, on the agenda we have a number of agricultural items to be dealt with under joint debate. I have not had the opportunity of consulting each of the rapporteurs. My understanding from those I have been able to consult is that they are prepared in the interests of time to take these items without debate. These items are No 320 — the report by Mr Dalsass; No 322 — the report by Lord Douro; No 323 — the report by Mr Vernimmen; No 324 — the report by Mr Woltjer and No 325 — the report by Mrs Martin. Those reports, therefore, if the House agrees, will be dealt with without debate. However, the Tolman report, that is item No 321, would have to be debated because there are a number of amendments tabled.

President. — I call Mr Woltjer.

Mr Woltjer. — *(NL)* Madam President, I can endorse what Sir Henry said to a large extent, except in the case of one report — the Woltjer report — to which amendments have also been tabled.

President. — I am sure we can come to an understanding. Let us say that all the reports mentioned, apart from those with amendments, will be dealt with without debate and as a matter of priority. In this way we shall gain a lot of valuable time for the other items on the agenda.

(Parliament agreed to the proposal)

I call Mr Herman.

¹ *Approval of minutes — Documents received — Motions for resolutions entered in the register (Rule 49): see Minutes.*

Mr Herman. — (FR) Since there is going to be little time left this afternoon to consider my report, Madam President, can I ask for it to be held over until January or February?

(Parliament agreed to the request)

2. *Supplementary and amending budget No 2 for 1981*
(vote)

President. — The next item is the vote on draft supplementary and amending budget No 2 for the financial year 1981, modified by the Council (Doc. 1-827/81), and on the motion for a resolution contained in the Adonnino report (Doc. 1-857/81).

(The sitting was suspended at 9.15 a.m., owing to the lack of a quorum for votes on the budget, and resumed at 9.30 a.m.)

(...)¹

(Parliament adopted the resolution)

3. *General budget for 1982*
(vote)

President. — The next item is the vote on the draft general budget of the European Communities for the financial year 1982, modified by the Council (Doc. 1-826/81), and on the motions for resolutions contained in the Ansquer report (Doc. 1-858/81) and the Spinelli report (Doc. 1-860/81).

(...)²

Section III — Commission

Item 6000 — After the crosscheck on the result of the vote on Amendment No 172

Mr Deschamps. — (FR) Madam President, I should like to know what the procedural grounds for cross-checking the result were.

President. — Rule 76(3) of the new Rules of Procedure provides for a roll-call vote if the result of a vote is doubtful. We have already done this on several occasions. The difference, which may be surprising, is

¹ The report of proceedings gives only those parts of the vote which gave rise to speeches. For details of the voting, see minutes.

² The opinion of the Committee on Budgets on the various amendments, as indicated by the President during the sitting, can be found in the Annex.

due to the fact that many Members this morning are not bothering to vote by show of hands, and this is making the voting rather difficult.

I call Mr Barbagli.

Mr Barbagli, draftsman of an opinion. — (IT) Madam President, I wish to announce the withdrawal of all the amendments by the Committee on Social Affairs and Employment apart from Item 611 on handicapped persons, and we ask the House to vote in favour of the amendments tabled by the Committee on Budgets.

(...)

Item 6011 — After the withdrawal of Amendment No 4

President. — I call Mrs Clwyd.

Mrs Clwyd. — Madam President, I notice that the rapporteur for the Committee on Social Affairs and Employment has continually withdrawn amendments. As a member of that committee, I would like to ask on whose authority he withdraws amendments tabled by our committee.

(Applause from some quarters on the left)

President. — I call Mr Barbagli.

Mr Barbagli, draftsman of an opinion. — (IT) Madam President, I said before that I was withdrawing all the amendments tabled by the Committee on Social Affairs and Employment apart from one. We were accepting the view of the Committee on Budgets, even though it was more restrained than the opinion of our committee, and in this way we were giving more backing to the amendments by the other committee. I see that all this has been to no avail, since Parliament has fallen in line with the Liberals and rejected the amendments by the Committee on Budgets. This explains the withdrawal. The idea, on behalf of the Committee on Social Affairs and Employment, was not to waste Parliament's time.

President. — I think we could save time if, instead of starting a debate on this matter, I now put to the vote the amendments tabled by the Committee on Social Affairs and Employment.

(Applause from certain quarters)

(...)

After the adoption of Section III

Mr Ridley, President-in-Office of the Council. — Madam President, in view of the results of Parliament's vote this morning I wish to make the following declaration on behalf of the Council.

In respect of the 1981 supplementary and amending budget, the Council can agree to raise the maximum rate for non-compulsory expenditure to accommodate the addition of 62 million ECU for steel social measures. In respect of the 1982 budget, in the Council's view the 1982 budgetary procedure has not yet been completed in accordance with Article 203 of the Treaty. Parliament's vote this morning implies the fixing of new maximum rates for non-compulsory expenditure. I shall take urgent measures to consult my colleagues in order to ascertain whether the Council can agree to fixing these new maximum rates in accordance with Article 203, paragraph 9, of the EEC Treaty. The Parliament will, of course, be informed of the results of these deliberations as soon as possible.

(Applause from certain quarters on the right)

President. — I call Mr de la Malène.

Mr de la Malène. — *(FR)* Although I am good at figures, Madam President, I have not been able to keep track of all the extra payment and commitment appropriations we have voted for. I think the House would find it interesting if you could tell us what the totals were.

President. — We have kept a record as the voting went on. Subject to checking, the amendments which have been adopted concern commitment appropriations totalling 259 069 000 EUA and payment appropriations totalling 224 103 069 EUA.

I call Mr Bonde.

Mr Bonde. — *(DK)* Madam President, we have now adopted a budget which contains an illegally adopted classification. May I therefore ask you whether or not you intend to ratify it?

President. — You heard, as I did, the statement by the President-in-Office of the Council. On account of that there is no need for me to give you an answer right away.

(Parliament adopted the resolution contained in the Ansquer report)

We shall now consider the motion for a resolution contained in the Spinelli report.

(...)

Explanations of vote may now be given.

Mr Adam. — Mr President, I have decided to vote against Mr Spinelli's resolution. My vote records my profound disappointment at the way in which the budget exercise has been conducted and at the inadequate consideration given to the views of the specialist committees. This has been no way to assess the spending priorities of the Communities. Nor do I agree with the brinkmanship over the classification of expenditure.

If this Community is to survive, if this Parliament is to survive, there must be greater accord between Parliament and the Council. Someone has got to make the first move. Council has agreed to consultation next year on this subject. I believe it is a mistake for Parliament not to have responded positively this morning.

I want to say a word to Mr Spinelli. The rapporteur has not been well supported by the Committee on Budgets, but I would far rather go into battle with Council on his analysis than dither about with the artificial compromise positions that have been put forward. On a day when Parliament should be sure-footed, clear in its objectives, we started and we will end uncertain, unclear and with no great prospect that it will be any better next year.

(Applause from various quarters)

Mr Balfour. — Madam President, I must come to the defence of the Committee on Budgets and of the rapporteur and I am surprised to hear from Mr Adam that he is disappointed with the treatment that he received in our committee. He was given every courtesy, he was listened to very carefully and, indeed, just about every single amendment that he put was fully discussed and the Committee on Budgets divided on the subject. I think it is an unfair criticism of the budgetary procedures of this House.

I happen personally to be disappointed with the way the voting has gone today. I would have hoped for some moderation and, indeed, I would have hoped that this Parliament could have exercised restraint on the subject of Chapter 92. We know that the Communist-Socialist Government of France is going to be against any move by this Parliament in that chapter and probably also the Social Democrat Government of Germany. It was for those reasons that my group abstained on all Chapter 92 amendments by the Parliament at this stage.

(Applause from certain quarters of the European Democratic Group)

Mr Baillet. — *(FR)* Madam President, during the general debate we said we should be voting in favour of the amendments on food aid, social policy, particularly as regards action on jobs, and on industrial and energy research policies. The total value of the amend-

Baillot

ments we have voted for is therefore 170 million EUA within the range which we had announced so as to help find a compromise. This was the idea behind our approach to this second reading of the budget.

However, we shall be voting against the motion for a resolution since it contains views which run counter to what we said during the general debate, especially as regards the budgetization of loans and the classification of compulsory and non-compulsory expenditure. This is on account of the political implications.

Mrs Scrivener. — (FR) There are just two remarks I want to make, Madam President.

Let me first of all say to the Council that the Liberal Group has made every effort to meet it halfway, as it were, on the subject of the Regional Fund and the Social Fund. I do not think this can be denied in any way. We tabled amendments which were less sweeping than the ones put forward by the Committee on Budgets.

However — and this is quite obvious — there is still the tricky problem of food aid. When I spoke before, Mr Ridley, I said that we were ready to discuss this basic problem, this legal problem, this problem of the classification of expenditure, at a later date, as you kindly suggested, and to see to it that we could take up the matter again as from next January. The fact is that we do not assume we have solved this problem of classification because we have proposed and had put to the vote these amendments on food aid. We agree with you that the problem is still there and that it will have to be looked at. You could perhaps see to it that this position is accepted, Mr Ridley. The legal problem we have left on one side for the moment. I think this is the only way we can avoid any difficulties between us, since we need to have a budget.

(Applause from some Members of the Liberal and Democratic Group)

Written explanations of vote

Mr Boyes. — I take this opportunity to explain why I shall vote against the Spinelli resolution.

It is my method of protesting once again against the budget. I do this because of its irrelevance to the most disadvantaged people in the Community.

It is disgraceful that over the last 2 ½ years unemployment has continuously grown until it is now in excess of 10 million in the Community and 3 million in the UK. Yet Despite the social and health problems caused by unemployment, something I have spoken about many times in the Parliament, in real terms the Social Fund has been reduced; Despite the poorest regions becoming poorer and the gap between the poorest and wealthiest regions growing, the Regional Fund has, in real terms, been reduced; Despite this being the IYDP, it has taken the Commission and Council a whole year to bring forward a proposal, yet the amount of 'hard cash' made available is pitiful.

Once again this budget will mean nothing to those people who most need our help — the handicapped, the unemployed, those living in the least wealthy regions, etc.

This Community, in the opinion of the public as reported in Eurobarometer, becomes daily more irrelevant to the workers.

For the area that I represent, the North-East of England, there is nothing in this budget nor in the declared opinions of the Council that gives me any anticipation of future improvements.

It is again titled the Budget of the EEC but it should be subtitled the Budget of Irrelevancy for the Working Class of Europe.

Mrs Boserup. — (DK) In this commendably brief and clear motion for a resolution, Parliament is unilaterally adopting a division into compulsory and non-compulsory expenditure. That is a course of action which I, as a representative of the Danish Socialistisk Folkeparti, cannot support. The real reason for the bigger margin for manoeuvre in the 1982 budget is rising prices on the world market for agricultural products. It cannot automatically be up to Parliament to take a decision on the budgetary consequences of this improved situation, and I shall therefore be voting against the motion for a resolution.

(Parliament adopted the resolution contained in the Spinelli report)

President. — I call the Committee on Budgets.

Mr Lange, chairman of the committee. — (DE) Madam President, ladies and gentlemen, some confusion seems to have crept in here at the end. If you consider what was said about the classification, there is as we see it agreement with the Council to the effect that this issue is not a point of contention at the moment. For the time being the Council is retaining its view and Parliament is doing the same. We agree that we do not agree on this point at the moment. We shall be meeting again on account of the classification in the next six months.

If I may, Madam President, I should like to express my heartfelt thanks to the committee's rapporteurs, to Mr Spinelli, who has had a most difficult job this year, and to Mr Ansquer, who gets my unreserved thanks, and also to Mr Adonnino, since even the supplementary and amending budget No 2 was no easy job. In addition, I must thank all those who worked with us, the interpreters and, no least, you as well, Madam President, for your performance here today, since we should not have been finished so quickly if you had not controlled us so well.

(Applause)

4. Competition policy (continuation)

President. — The next item is the continuation¹ of the debate on the Beazley report (Doc. 1-689/81).

I call the European Democratic Group.

Mr Purvis. — Madam President, we wax eloquent often in this House on the merits of the Community in terms of the internal market, free movement of goods and the merits of competition, the benefits it will bring to consumers and to our industries alike. Not only we in this House but our governments also wax eloquent on this point in general terms. The trouble is when we come to the particulars.

In the case of air transport, we learn now that the Ministers of Transport on Tuesday turned down any further consideration of the Commission proposals to deregulate to some extent interregional services. We find in the Beazley report a certain reticence when it comes to parallel imports. Maybe we should think about this more. As to national aids, we all deplore them, but then national governments have inroads on their domestic markets which, on the face of it, demand national aids.

We really have to be consistent. We may talk in general terms, but we have to be consistent when it comes to the specific. Parallel imports help to integrate the internal market. They do bring benefits in prices and in economies and they bring benefits to the industries just as much as they do to consumers. It is a travesty if we have a free market and car prices before tax in one Member State are nearly twice those in another Member State. There must be something wrong with our internal market and the competition therein. On this score I move my amendment to paragraph 14 of the Beazley report and would ask my colleagues in the other committees to put their votes where their mouths are.

With regard to national aids I would call upon the governments of France, of Belgium, of the Netherlands in particular, to realise that they are going against not only the interests of the Community as a whole, but of their industries — their very own industries — in the long term, I have just read this voluminous document in our Bulletin from the French Government about its approach to the market and the future of the Community. It says we must have a continental scale market. Well, let us not have all this talk about 'reconquests of internal markets'. It does not fit. On this score, I must oppose the amendments put by Mr Welsh concerned particularly with the Belgian proposals to support the textile industry there.

And then there are favourite monopolies. Yes, we want inter-regional services, particularly we who come from the peripheral areas of the Community — the Scots, the Cretans, the Sicilians — and yet, when it comes to the crunch, we all seem to love those favourite monopolies with wonderful names like Lufthansa and Alitalia and Sabena and so forth. No, they are not doing a service to the regions and it is not providing the competition that is so badly required.

So this group is fully in support of the new Commissioner, who has shown signs, very welcome signs, of taking seriously this whole matter of competition, parallel imports, national aids and restrictive monopolies, untransparent finances. We support him, we support the Commission, and we wish only that all our colleagues too would support us in this battle.

IN THE CHAIR: MR DANKERT

Vice-President

President. — I call the Communist and Allies Group

Mr Bonnacini. — (IT) Mr President, our political party has always given a lot of attention to competition, which is one of the mainstays of the Community. We see this as one of the fields in which the Commission has real power of intervention.

Therefore we have always criticized the Commission for its inability to use the instruments of competition policy in an innovative manner. The Commission has confined itself to a purely formal and legalistic approach, instead of using these instruments as a means to influence developments in the real world.

From now on competition should be seen in terms of this latter aspect, which also means that we will have to interpret the Treaty articles on competition in a new spirit. More precisely, our Community will have no future unless it succeeds in making the transition from an active policy to common policies which will ensure effective competition in the appropriate fields.

In a nutshell, solidarity and competition should go hand in hand — competition which, to be effective, must consist of more than mere lip service to a general philosophy; it must also guarantee expansion and economic and political freedom geared towards a type of development which it is up to us to define.

Secondly, I would like to point out that — as Mr Beazley correctly remarked in point 2 of his motion for a resolution — in view of the growing dangers of competition from third countries, we will

¹ See debates of 14 December 1981.

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have to develop a competition policy which will take into account not only the extent of specific developments within the Community economy but also the consequences of dealings with firms in non-Community countries.

To ensure effective competition which will reflect our political and economic liberties, we must examine the possibilities that exist within the Community framework, we must put paid to red tape without, however, neglecting administrative aspects connected with the policing of Treaty provisions.

We are living in a mixed economy in a rapidly changing world, we are faced with new economic structures and new trends in the international division of labour. Thus we can no longer consider as immutable the standards of a Treaty conditioned by the situation which pertained 25 years ago.

Both the Tenth Report — in particular in the introductory part — and Mr Beazley's motion for a resolution, contain new features which to some extent reflect our views and which we feel are worth developing; however, these features are still occasional and are not yet deeply rooted enough in the context which I have briefly illustrated. Thus their value is questionable and they lack the new political direction which we consider essential. For these political reasons we call for abstention on the Beazley document.

President. — I call the Liberal and Democratic Group.

Mr Berkhouwer. — (NL) Mr President, I would like to deal with three points in three minutes. Recently there has been a lot of nationalization in one Member State, especially in the banking sector. Our group would like to know the Commission's opinion not so much on the nationalizations in themselves but on the implementation of Community competition law in these firms. In our view the banks must remain subject to this legislation. We would like to hear the Commission's opinion on this matter.

Mr President, there are a large number of sectors in which genuine competition is in a pretty poor shape. The IATA organization met recently with a view to bringing some order into the chaos which exists in transatlantic air transport. We are in the absurd situation where certain flights from European cities to New York are cheaper than to other cities in Europe. We call on the Commission to be vigilant in the field of air transport and to take appropriate initiatives. I will only mention a few examples of the many distortions of competition which exist in this field. Finally, Mr President, I would like to address the English speaker who said *there is something wrong*. That was at the time of *the State of Denmark*, when Hamlet was prince. Now we have to say that *many things are wrong or rotten in the state of the Community!* The English car industry

tops the list, perhaps it is good for our English friends to hear this. I should like to mention some striking examples. A Jaguar costs 24 000 units of account in England but the same car can be bought in Denmark for 16 000 units of account. A Mini City costs almost half in Luxembourg what one has to pay in England. The most striking example is the Rover 3500. This can be bought for 9 000 units of account in Denmark but costs almost 20 000 in England. Thus it costs twice as much in England as in Luxembourg . . .

President. — Mr Berkhouwer, I don't know whether publicity for certain makes of car is allowed in Parliament.

(Laughter)

Mr Berkhouwer. — (NL) No, Mr President, this is more like propaganda against the British car industry, so you have no cause for concern.

What is the position of nationalized undertakings as regards their subordination to Community law? We believe that this is a decisive question. Secondly, what is the situation as regards the chaotic state of air transport and — thirdly — we have pointed out that English cars can be bought elsewhere in the Community for less than half the price they cost in England. Thank you for giving me an opportunity to raise these three points. My Group will pay particular attention to the Commission's response to these questions.

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

Mr Deleau. — (FR) Mr President, ladies and gentlemen, if competition policy is one of the mainstays of the Treaties it is certain to encounter certain difficulties in implementation, due to differences in the way Member States view certain aspects of the economic problems confronting them. It is obvious that there are also problems at Community level, in particular as regards the way Member States see the role of the State in the national economy. This is particularly true in times of crisis.

It is to the rapporteur's credit that he has not sidestepped these fundamental problems which concern both on the one hand the objectives and the implementation of competition policy within the Community, i.e. internal competition, and, on the other, the problems concerning relations with third countries, i.e. external competition.

Competition policy is particularly important today and, although the choice may be difficult, it is necessary to recognize and specify the real distribution of responsibility between the Community and the

Deleau

Member States. One cannot deny the reality brought about by industrial, social and trade policies, but as soon as we move away from a Community policy of convergence, the differences in the policies practised by certain Member States deepen the gap. This applies to nationalization or similar measures which may be effected in any of the Member States. This also applies to the national monopolies, in particular in the commercial field. It also applies to the policy of certain Member States that have tried to annul the Commission Directive which aims at ensuring the greatest possible transparency in the financial relationships between the Member States and public undertakings, and the rapporteur has very correctly stressed the unfair competition practised by certain third countries.

I suppose that the Commission realizes well that it will never be able to issue strict rules on internal competition with any hope of practical success if it is not resolved to extend the rules which it applies to the Member States to other countries in the world.

If we are to prevent distortions in competition we must insist — and I believe it is Parliament's duty to do so — on the need to combat international tax evasion, tax havens, flags of convenience, unfair practices and, in general, all activities which are harmful to fair competition.

I should like to thank the rapporteur for devoting a paragraph to small and medium-sized firms. I would like to thank him personally and I support his suggestions in this field.

Mr President, ladies and gentlemen, this is what I have to say on the excellent report which Mr Beazley has prepared.

In view of the thoroughness and the quality of this report, the Group of European Progressive Democrats will give it their support, provided it is not distorted by various amendments.

IN THE CHAIR: MR JAQUET

Vice-President

President. — I call the non-attached Members.

Mr Kazanis. — (GR) I should like to express my full agreement with Mr Beazley's report and draw attention to one particular point which represents a manifest distortion of competition policy in the Community. I am referring to the decision by the Commission on 30 October to limit imports of Greek cotton yarn to France for the three months from

November 1981 to January 1982. The French application behind this decision was based on the protective clause provided for in Article 130 of the Treaty of Accession of Greece to the Communities. The French authorities' view that there had been an excessive increase in imports from Greece during the first six months of 1981 is due to the fact that they had taken as a basis for comparison the years 1979 and 1980, when the Greeks themselves had restricted exports from Greece to France — which is something the Greeks cannot contemplate doing now.

Exports of yarn from Greece to France are very small in comparison to the corresponding exports to the other countries of the Community, and in any case the increase in these exports should not be more than 2 500 tonnes, which is slightly less than 1.5% of total consumption of yarn in France. Moreover, the selling prices for Greek yarn are the same as for yarn produced in France. This therefore raises the question as to whether these figures cause such a disequilibrium in the French spinning industry that the Commission has to take such measures to protect a developed industrialized country against a less developed country. Such a policy is considered unacceptable by Greece and is raising unfortunate doubts as to Community impartiality.

Mr President, Greece is confronted with serious organizational and structural problems — with particularly pressing problems as regards adapting to European patterns. It is undertaking major efforts to tackle the current inflation and to reduce the serious deficit in its balance of trade. In particular, Greek industry as a whole is trying desperately to survive, and there can be no doubt that it will suffer serious losses and setbacks in all sectors, since it is not in a position to face the strong competition from the developed industries of the Community. The Greek market is already flooded with industrial products from the countries of the Community, and despite this Greece has not yet invoked the protective clause. If it should be forced to adopt such protective measures, against Community products the subsequent distortion would shake the basic principle of the free internal market of the Community. Moreover, such measures cause various reactions in Greece and raise justified questions about the need for a balance between small and large, between weak and strong. The Treaty of Accession cannot and must not contain clauses which, while purporting to prevent unforeseen risks, will in future lead to reversals in the famous balance to the detriment of the weaker countries. Is this the way to achieve rapprochement, the integration of the Community and solidarity?

My intention, Mr President, was to inform the House about the situation which has been created to the detriment of Greek industry, and I hope that these measures will not be continued under whatever circumstances and whatever pretence.

President. — I call Mr Eisma.

Mr Eisma. — (NL) Mr President, on behalf of Mr De Goede I would like to make the following contribution to this debate. Firstly, I would like to congratulate Mr Beazley on his report, which was particularly thorough and well-presented. The report and motion for a resolution correctly point out that competition policy is one of the main objectives of the Treaties and that it is indispensable for a social market economy. The report also correctly states that this policy is embedded in overall Community policy in a number of mutually interdependent policy sectors. I would like to make some comments on this interdependence.

In my view there should be a clear link between economic policy and social policy in the Community. I should like to illustrate this with a concrete example: much of the Dutch shoe and leather industry has disappeared in the past few years, not as a result of competition from outside the Community, but as a result of what we consider to be unsocial factors connected with the fact that production costs in another EEC country — i.e. Italy — are far too low. In the Netherlands we have a minimum wage which takes basic needs into account. We also have a well-developed social welfare system which of course has to be paid for and is a cost component. As long as there is no consistent policy, as long as nothing is undertaken in the social field, as long as house workers in Italy can manufacture identical products at minimum costs for starvation wages and without genuine social benefits — with the result that healthy sectors in other countries are wiped out — the situation is basically wrong.

More attention should be paid to the social aspect. For example, is nothing going to be done about a minimum wage ruling for the Community? Is nothing to be done about establishing basic requirements in the field of social security? I would be pleased if the Commission would give a precise answer to this question.

My second point concerns the much-needed study of the effect of current industrial structures on the Community's competitive position. The United States and particularly Japan — the two great concentrations of world-wide economic power — present great challenges to the Community. These challenges are of a structural nature. Steel, cars, textiles — these are just some examples which show that the difficulties are by no means a result of the recession alone.

A third point is control of mergers. Despite repeated requests the Council has not yet made a single decision on the Commission proposal concerning this issue. Policy *vis-à-vis* the activities of multinationals is unsatisfactory and unclear.

My fourth point, Mr President, is that in times of economic recession and industrial restructuring it is difficult to supervise national support measures and other policies which affect competition, such as new technical barriers to trade. The Committee on Economic and Monetary Affairs is doing what it can to check the proliferation of these barriers. It would be a good thing if the Commission and Council put more effort into tackling this phenomenon. More attention should also be paid to greater harmonization of legislation and to the confusing situation concerning public contracts.

Mr President, to conclude I would like to express my disappointment at the Commission's failure to follow up a number of recommendations made by this Parliament in earlier opinions on competition policy. Paragraph 41 of the resolution correctly points out that the Commission has sometimes not even acknowledged their receipt. Will the Commission promise to ensure that Parliament's opinions are in fact taken into consideration in policy-making? This is the least we can expect!

President. — I call Mr Papaevstratiou.

Mr Papaevstratiou. — (GR) Mr President, as we all know, competition policy is only one of the attempts being made on the basis of the Treaty of Rome to achieve the free movement of products, capital and labour throughout the European Community as a unified economic zone.

From a study of Mr Beazley's report we note with satisfaction that the rapporteur — whom I should like to congratulate — has given full coverage to many of the particular problems which have arisen. As far as Greece is concerned, however, it is quite rightly pointed out in paragraph 28 that there is a need for a detailed study of competition problems in that country and for the implementation of a similar policy. Competition policy is one essential element of a series of activities which are the nucleus of the creation of the Community. For this reason, the subjects dealt with in the report are of considerable interest to Greece, which has been carrying on trade successfully since ancient times, particularly in small and medium-sized undertakings.

I would therefore ask the Commission to make a brief but detailed study of the implications for the Greek economy of the competitiveness of the present industrial structures. I hope everyone appreciates that every assistance must be given to achieve the successful completion of the integration of the Greek economy and of cooperation within the framework of the European Community. It must be stressed that the present structure of Greek industry and handicrafts will require a certain amount of care and protection for a reasonable period of time if they are to tackle the

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problems of adjustment. The fact is that many small and medium-sized undertakings are facing serious problems of survival. Parliament has repeatedly discussed the need for such undertakings to be protected, and there is a unanimous wish that they should be strengthened and protected.

President. — I call the Commission.

Mr Andriessen, Member of the Commission. — (NL) Mr President, the Commission is glad to see that the Tenth Report on Competition Policy has come up for discussion this year considerably earlier than did the previous report. I think this makes the discussion more topical — a discussion which is very important in view of the present situation in Europe. Naturally, given the limited time at my disposal, I cannot enlarge on all aspects of Mr Beazley's report but I would like to thank him and the other speakers in the debate for this report, which in broad outline the Commission considers as a clear endorsement of its objectives in this field. It goes without saying that a critical note is struck here and there and this the Commission readily accepts.

Mr President, in the past year competition policy has been repeatedly discussed in the context of general or more specific debates. This would indicate that interest in competition policy is widespread and that it is growing rather than decreasing, but also that there are problems connected with this policy. These problems were very clearly diagnosed in the report. Above all they, concern the internal market, in particular the problem of state aid — which has been repeatedly raised in Parliament this year — obstacles to trade and attempts to evade the effects of competition policy. Moreover, Mr President, we cannot overlook the growing tendency towards protectionism in the world which was also pinpointed in the report and which was discussed by various speakers. I think that these two aspects and the way they have been discussed show that competition policy must be seen in connection with economic policy at a more general level — removal of obstacles to trade, fiscal harmonization, etc.

It is natural that Parliament — not only in this report but also in others — should have diagnosed the general relationship and discussed the problem of competition in this relationship. It is also clear, Mr President, that the report relates to specific Treaty articles so that not all the aspects which I have just referred to can be dealt with in this report. These are part of the Commission's General Report and in future it might indeed be a good idea to discuss the report on competition policy in conjunction with the relevant chapter in the General Report, with the participation of the Members of the Commission concerned. This would ensure the debate the attention it deserves and might also have a satisfactory follow-up. Mr Presi-

dent, this is what I have to suggest. For its part, the Commission is favourable and if the Parliament gives its approval the Commission will be glad to co-operate.

Mr President, one may ask why there is so little mention of Greece in this report. The report relates to a period in which Greece was not yet a Member of the Community.

The Eleventh Report, which I hope will be published early next year, will certainly devote attention to the Greek problem.

Mr President, in day-to-day competition policy as implemented by the Commission but also by the various Member States, short-term interests must often be weighed against long-term interests. The Commission is convinced that in many cases, precisely where the competitiveness of European industry is involved, the Governments of the Member States tend — as a result of various kinds of pressures — to stress the short-term at the expense of long-term considerations, understandable though this may be in itself. It cannot be repeated often enough that in many cases the short-term solution is a hindrance to longer-term solutions and in the long run contributes to making things worse rather than better. I think that the Commission, in view of its position in the Community, has a unique opportunity to hammer this point home in its policy and that while it should not ignore the existing problems it should try again and again to find the correct balance of measures to be adopted.

As regards this question of balance, Mr President, the Commission takes a positive view of certain types of cooperation between undertakings which are concerned with improving their competitive position by means of innovation, technical developments and so on. The Commission also approves of special measures geared to the medium-sized and small firms to which various delegates have also referred. After all it is a fact — and one that has repeatedly been pointed out this week — that it is precisely the small and medium-sized firms that often have innovatory potential and can thus contribute to further developing the economic potential of the Community. The Commission is willing to interpret the rules on competition in a broader sense so that it can if I may say so reconcile the lawyer and the economist in the field of competition policy. However on the other hand the Commission cannot go so far as to approve the setting aside or complete suspension of the rules of competition. That would mean concentrating too much on the short-term at the expense of the longer term.

Mr President, against the background of these somewhat more general aspects of the implementation of competition policy, I would now like to comment on a few more concrete topics. Despite the problems involved the Commission has not hesitated, in the past year, to tackle a number of new areas in competition

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policy. I would like to mention air transport to which a number of members have referred and on which the report contains a number of interesting points. The Commission has put forward a number of proposals with a view to extending normal competition law to air transport. Unfortunately, the Council of Ministers has not yet been very cooperative as regards the application of the normal rules of competition in this field. The Commission very much regrets the decision which was taken this week. Naturally the Commission will consider what steps it can best take. It is obvious that air transport is in need of reform, as pointed out by Mr Berkhouwer who put the case very clearly. The Commission believes that the rules of competition must also apply to air transport. It has adopted a number of initiatives in this field this year and will try to ensure that these proposals are also accepted by the Council.

A second area which the Commission thought it necessary to broach this year is marine transport. We shall have to wait and see how the Council reacts. In this connection I think that particular attention must be paid to the problem of bulk.

Mr President, as regards banking and insurance — sectors which the rapporteur mentioned specifically in his report — I would like to draw your attention to a talk which I gave in London some days ago at an international conference of bankers; here I made it very clear that in the Commission's opinion the activities of banking and financial institutions must also be subject to the rules on competition and that free establishment of banks should be possible throughout the Community. As regards the insurance sector, a study is being carried out at present and it is not unlikely that steps will be taken in this sector in the near future.

Mr Berkhouwer and others spoke about merger control. This point is also discussed in the report. No doubt Parliament is aware that the Commission drew up new proposals last week which have since been submitted to the Council. In this respect the Commission will do its best to expand the scope of the competition rules of the Community.

Mr President, the report also refers to Member State monopolies which have been under discussion for a very long time, in particular tobacco monopolies in Italy and France. I would like to inform the Parliament that the Commission has just taken measures in this connection and that positive results are expected in the very near future, either in that the problems will be solved or that the Commission will have to bring the matter before the Court of Justice. Unfortunately I cannot provide more precise information at this stage but there is no doubt that concrete decisions will be taken on this matter in the very near future.

Mr President, in connection with the problem of parallel imports, to which Mr Purvis in particular has drawn attention, the Commission has been and will

remain active, despite the problems which have cropped up in the Member States. Cars — mentioned by Mr Berkhouwer — are a typical example of the sort of problem involved. Incidentally I have read in the papers that measures are now being taken in England which could lead to a considerable improvement in what is indeed a very unusual situation.

Mr President, the question of transparency was also raised. The Assembly knows that the Commission has taken steps in this connection — steps which should mean that the Directive on transparency will take effect as of 1 January although it is still being challenged in the Court of Justice by a number of Member States and it is not yet possible to say when the Court will issue a ruling in this respect. The Commission's view is that it is necessary to tend the scope of this transparency Directive to what for the sake of convenience I will call the public banks. Unquestionably the Community's rules on competition also apply to nationalized banks and the Commission will follow events after nationalization and will not hesitate to take action if the need arises.

Mr President, I now come to the question of procedures. A lot has recently been said and written about the procedures applied by the Commission in competition law. There has been disappointment because the Commission has not yet issued any definite opinion on this point. The discussion in the Commission has now reached a stage where I can assure Parliament that concrete proposals will be included in the Eleventh Report concerning potential improvements in the rules of competition in the Community. In particular, these proposals will relate to the speeding up of the procedure, one of industry's primary concerns, independence in decision-making, a further point on which management has been insisting, and confidence in the law. I sincerely hope that the Commission's contribution will take into account the bulk of the debate in recent years and will lead to satisfactory results.

The Commission is also paying attention to the provisional measures referred to in the report. Recently it was about to implement such a provisional measure but it was sufficient for the Commission to notify its intention to bring about the solution which the Commission considered appropriate. Mr President, Mr Kazanis spoke about the problems of textile imports from Greece. I think that in the context of this discussion I shall have to be brief on this point. The measure he spoke about is basically one with a very limited scope. I hope it will be enough if I pass on the remarks made by Mr Kazanis to my colleague who is more particularly involved with this material.

Mr President, Mr Beazley's report comments on the Commission's work and a number of remarks were also made during the debate by Mr Walter and Mr Eisma. The Commission does its best to ensure that its activities are as public as possible. This is also in the Commission's interest. It has no interest in concealing

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its cards, on the contrary. On the other hand I must stress that the Commission will have to consider whether all the suggestions should in fact be included in the report. The Commission is willing to ensure the greatest possible transparency in this respect, but I would like to have some time to consider the form in which this can best be done. Naturally it is up to Parliament to study the next publication and see whether it meets their requirements.

Mr President, some final comments on one or two amendments. Firstly, Amendment No 6 by Mr Welsh concerning textiles in Belgium. I would like to inform Parliament that in the Commission's view the matter has now been satisfactorily resolved. Publication is planned shortly but in the Commission's view the Belgian plan is now shaped in such a way that we feel it can be implemented for a one-year period provided a number of strict conditions are fulfilled. Thus the proposal as to what to do in the event of an unsatisfactory response is no longer relevant.

Secondly, an amendment has been tabled concerning the situation in the greenhouse sector. An urgent debate on this issue is scheduled for this evening and I think it would be better if I put the Commission's point of view in the context of this debate.

Mr President, I would like to conclude on this note. I would like to thank Parliament again for the wide-ranging and constructive support it has given to the Commission in implementing competition policy and, for my part, promise that the suggestions concerning competition policy in the narrower sense will be realized as far as possible; as regards the suggestions concerning areas for which my colleagues are primarily responsible, I will naturally inform my colleagues of Parliament's wishes. In this way I hope to ensure the best possible follow-up to this important report.

President. — I call the rapporteur.

Mr Beazley, rapporteur. — Mr President, I would like to thank the Commissioner very sincerely for what he has said, particularly as I feel, and I think other people have stressed, the importance of an understanding between Parliament and the Commission in this very important area. It is, as many have said and I think I said in my own speech, in the detail that you get the difficulties, and we would like to keep in close touch with the Commission throughout the whole year on this matter, not just once a year finding these debates pushed into corners of the agenda. I think that Mr Leonardi will be dealing with the subject of competitiveness on behalf of the Committee on Economic and Monetary Affairs, but I hope that my committee can maintain this link and develop it, because our interest is naturally in the development of a proper common market.

I would like to thank the Commissioner specifically for his suggestion that we might be able to have a debate bringing in competition policy in relation to other aspects of the Community's policies. I think my own report stressed this, and to be able to debate that subject would, I think, be most helpful to both sides. I am sorry that nobody from the Council is present. I am sorry that we have had to say rather stern things about the Council, but I believe it is the duty of the representatives of Parliament to do so. We shall continue to do so until we get some action from them, because it is they and the Member State governments who are holding back the common market which would give us the economic muscle to support our political desires.

I would like to touch very briefly on parallel imports. I know that this is a matter about which certain people feel very deeply. I would not like to think that my paragraph 4 was weak. I did take account of the Legal Affairs Committee's opinion on this. I do believe that this is a matter which has to be worked out carefully, because you do have different circumstances existing, not because of the competitiveness of private and free enterprise but because, as Mr Berkhouwer pointed out, of the complete distortion caused by state aids to nationalized industries as well as health laws and heaven knows what other factors, which prevent the companies concerned developing the free market in which I know they would wish to operate.

I have just one very small final point regarding something that the Commissioner said relating to transport. I think he said that he regretted the decision of the Council concerning the application of competition rules to air travel. Now I wonder if it is in order to ask him whether, in fact, the Council can take a decision before the Parliament has actually expressed its opinion. This is a matter on which Parliament feels very strongly. I know the Commission does too. So I hope that point will be clarified or, if it cannot be clarified at this moment, borne in mind.

President. — I call the Commission.

Mr Andriessen, Member of the Commission. — (NL) Mr President, concerning the last comment by Mr Beazley I would like to say that naturally he is right, but the procedural decision which it appears the Council has taken could be a serious obstacle to further progress. Naturally no definitive decision can be taken before Parliament has expressed its opinion. This morning I wanted to fire a warning shot and to make it clear that the Commission will do all it can to facilitate the implementation of this important aspect of competition law. I am also glad that Parliament supports the Commission on this issue, as borne out by the last comment made by the rapporteur.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.¹

(The sitting was suspended at 12.40 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MRS VEIL

President

5. Statements by the European Council and the Commission on the European Council — Statement by the Council on political cooperation and the British Presidency — Role of the European Parliament in its relations with the European Council

President. — The next item² is the joint debate on

- Council and Commission statements following the European Council meeting in London on 26 and 27 November;
- Council statement on political cooperation and the six months of the British Presidency.

The oral question (doc. 1-615/81) by Mr Spinelli and others is also included in the debate:

Subject: Strengthening of political cooperation

- having regard to the complexity of and the dangers posed by the international situation,
- whereas Parliament, the Council and several governments have repeatedly reaffirmed the need for Europe to be present on the international scene with a single voice and a personality of its own,
- whereas the European Parliament's recent decision to draw up the text of a treaty establishing European Union, while being the only measure capable of achieving this aim, will take at least a couple of years to reach completion,
- whereas, in the meantime, it is not enough to accord to the Council the possibility of including security problems among the matters it may discuss and increasing the number of its meetings,

Do the Ministers not consider that, as an emergency and provisional measure, it should:

- define the diplomatic and military aims of a common security and defence policy, and

- entrust a European statesman with the task of expressing and defending the interests of Member States of the Community
- in its relations with the allied government of the United States, with a view to progressing from Atlantic dependence to Atlantic partnership,
- as well as in all bilateral and multilateral negotiations on security, arms limitation and peace?

I call Mr Antoniozzi on a point of order.

Mr Antoniozzi. — *(IT)* I would just like to ask the Chair if I might be allowed to speak immediately after the statements by the Council and the Commission in order to present my motion for a resolution on the role of the European Parliament in its relations with the European Council, since this is a political matter which fits in well with the general debate.

President. — What you are asking for then, Mr Antoniozzi, is a general debate.

Are there any comments on this?

I call Mrs Castle.

Mrs Castle. — Madam President, I want to object. I think it should be put to the vote. I think the decision to separate the two a wise one in view of the fact they are talking about the summit.

President. — I call Mr Godikas.

Mr Godikas. — Madam President, I am very much in favour of Mr Antoniozzi's proposal to have a joint debate, so I support that move.

(Parliament agreed to Mr Antoniozzi's request)

President. — I call the Council.

(Applause from the European Democratic Group)

Lord Carrington, President-in-Office of the Council. — Madam President, ladies and gentlemen, I have a double duty today. I shall be reporting to you on the six-month period during which Britain has held the presidency of the Council and I shall also report on development throughout the past year in the field of political cooperation, the first six months of which was under the chairmanship of the Netherlands.

The President of the European Council spoke to you yesterday about the European Council meeting in November and her statement was followed by an opportunity for further comments on the issues. We

¹ *Membership of political groups: see Minutes.*

² *Verification of credentials: see Minutes.*

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have today the opportunity for further comments on the issues Mrs Thatcher raised, as well as those that I shall raise in my own report.

When I outlined objectives of the British presidency to this House on 8 July, I drew attention to the short time which a six-month period represents in the affairs of the European Community. I warned against exaggerated hopes for what could be achieved under any one presidency and emphasized my belief that the keynote for the presidency should be to contribute in a business-like and effective manner to the continuation of the Community's affairs and this is what we have tried to do. Many of the agreements reached in any one presidency owe much to the efforts of its predecessors and in many of the areas where the current presidency has worked hardest results will only become apparent under a succeeding presidency. Ample evidence of this is to be found in the memorandum which I have separately circulated to give honourable Members a full as possible a picture of the state of the numerous dossiers at the end of the British presidency.

I think that at a rough count this shows that some 70 new Community measures were adopted by the Council in the last six months — most of them in fields to which this Parliament attaches importance. It is a record of solid, if unspectacular, achievement in which all the organs of the Community have played their part. The Commission of course has a key role in helping to maintain the essential continuity between presidencies.

And I believe the European Parliament too has its part to play in this by sustained support of generally agreed Community objectives.

Madam President, in the last six months the Community has been faced with fundamental decisions about its own future development. There has also been a growing awareness that political leaders in Member States must be ready to look beyond the pressing daily problems which confront the Community towards wider horizons so as to see more clearly the way ahead for Europe.

I myself referred to this when I addressed you in July. I think the same feeling is reflected in the proposals made recently by the governments of Italy and the Federal Republic of Germany for a European act, and in the ideas put forward by the French Government with particular reference to the development of the Community's internal policies.

In my speech in July I outlined a triptych which I suggested might form a basic framework for the future development of the Community. And those ideas I called renewal, enlargement and identity. And I would like to review briefly the progress made under these three headings at the end of the British presidency.

The basis for the renewal of the Community is the review of its policies to which Member States were committed in the agreement of 30 May 1980. And it's been a major objective of the British presidency to make solid progress on this. Given the deadline set in that agreement itself, it would have been a serious dereliction of our duty to the Community to do otherwise.

The President of the European Council reported yesterday on the outcome of the European Council meetings in London on 26/27 November at which there was a very substantial discussion of this matter. I do not need therefore to dwell on those discussions. Foreign ministers met on 14/15 December, Monday and Tuesday of this week, at the express request of the European Council. We were able to have a useful discussion and asked the President of the Commission to produce new texts on the four outstanding issues which I hope will enable agreement to be reached at a further special meeting to be held early in January.

Madam President, I would naturally have liked to be able to reach agreement on this matter during our presidency. But I believe that we have laid good foundations for the future work. And it will now be for the Belgian presidency to carry matters forward. We, for our part, will give the fullest possible support to their efforts to reach a speedy solution, which is greatly in all our interests.

But the renewal of the Community goes much wider than a simple review of its expenditure policies. An important part of it is the completion of the framework provided for in the Treaties, and on this I am glad to report that there has been some progress. While useful progress has been made over marketing, overall agreement on a new common fisheries policies has still to be reached; and it is now long over due. The security and prosperity of the fishing industry in all our countries is at stake.

Another area where much work has been done is the completion of the internal market, which was the subject of a debate in this Parliament on 14 October. We have tried to make a reality of the Treaty provisions for a single market in goods and services and to make progress with eliminating non-tariff barriers to trade within the Community.

We have made some headway, but the Community has made disappointingly little progress towards full liberalization in such fields as insurance and air transport. And it is in the interests of all of us to make progress on these matters since they offer the best hope of securing real benefits from membership of the world's largest area of tariff-free trade.

Renewal also involves developing the Community to keep abreast of changes in the world outside. After all, the Community consists of some of the world's most advanced industrial nations, and advanced technology

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provides us with a powerful weapon in the fight for competitiveness and thus for lasting and secure employment.

I am glad, therefore, to be able to report that we have made significant progress in this area during our presidency, particularly on research and development. Nor has the social impact of new technologies been neglected. Ministers of employment and social affairs have discussed this question with the social partners.

Energy policy is another vital field for a grouping of industrial countries. Here there have been some valuable discussions about the general need to restructure energy economies away from oil. The agreement reached on guidelines for dealing with a limited shortfall in oil supplies and the agreement reached on energy-pricing policy will be a valuable contribution to attaining our agreed objectives. And I am glad to say that there have been significant achievements in fields where ordinary people will benefit directly. These include environmental matters, on which a variety of useful decisions were taken by the Environment Council on 3 December, particularly in the fields of pollution control and public safety and social affairs where there have been, I think, important advances on provisions for the self-employed and help for the disabled.

In all these areas and in the many others outlined in our memorandum, the approach has been based on a firm conviction: the Community can only advance and prosper if it is able to secure and retain the support and understanding of its citizens. To do so it must show itself to be flexible enough to keep pace with a world of rapid change and dynamic enough to offer a lead rather than simply responding to events.

The economic background to our work in the past six months has been sombre. Unemployment has risen remorselessly even in the strongest of our economies. Inflation is proving stubborn. The difficulty of curbing government deficits is exacerbated by the effects of the recession. Divergence among Community States has increased rather than diminished. We have got to redouble our efforts to create the conditions for that non-inflationary growth which is the only source of durable employment. And we must resist the easy but fatal options of protectionism. We must ensure that our people appreciate that the challenge of competition in the 1980s requires us to adapt the structure of our economies. And there must be the closest cooperation in these efforts between all of us in the Community.

Madam President, the second of the three key issues about which I spoke to you on 8 July was enlargement. As Mrs Thatcher said yesterday, the ten heads of state and government confirmed in London the Community's commitment to complete the accession negotiations with Spain and Portugal. Meanwhile, in the accession negotiations themselves I am glad to say

that we have been able to build on the solid foundations established by the Netherlands Presidency and to take the work forward in number of significant respects. We believe that real progress has been made towards the objectives which we set ourselves at the outset of the presidency. But it must be frankly recognized that there is still a major task ahead for the Belgian and Danish Presidencies if the applicants are to realize their wish to accede on 1 January 1984. Nobody underestimates the difficulties we face in the negotiations. Both the Community and the applicant countries have much to do to prepare for the new situation which will arise on accession. But the Community's political obligation to the future of democratic Europe transcends the individual issues which are at stake and compels us to take a wider view. It is time, frankly, to give the negotiations a new political impetus and to ensure that the statement which heads of government approved on 27 November does not remain mere rhetoric.

The third part of my triptych was identity, or the expression of the Community's personality on the world stage. Throughout its period of office the British Presidency has tried to put into practice its firm belief that the Community should exert an influence in world affairs more appropriate to its position as the world's largest economic grouping, trading entity and donor of aid to the developing world.

And here, too, there is some useful progress to report. Decisions were taken both at the Development Council on 3 November and at meetings of the Foreign Affairs Council on ways to improve effectiveness of the Community's aid to less-developed countries. Agreement was reached on Community positions in a number of important trade negotiations including the Multifibre Arrangement, trade with Japan and export credits. A successful joint commission and other meetings were held with a number of third countries.

The Community has also made a very important and distinctive contribution to a number of multilateral meetings, including the Ottawa Summit meeting in July and the Cancún Meeting in Mexico in October. It has been prominent among those endorsing the commitment of the international community to a new round of global negotiations. Important decisions have also been taken on the further provision of food at special prices to Poland.

Madam President, in my speech to this Parliament six months ago I referred to the Luxembourg and Copenhagen reports on which political cooperation was based. I am proud to say that to those two documents we have now added the London report. Over the period since the Copenhagen report was agreed we have all found political cooperation to be useful and important. We have also found in third countries a growing expectation that Europe will speak with one

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voice and a growing wish for a dialogue with the Ten as such.

It was therefore time for us to look again at the way political cooperation was organized. We agreed to do this under the Luxembourg Presidency. Much of the difficult work was done under the Dutch Presidency and in our Presidency we brought it to a successful conclusion. But it is the work of all the Ten. And I believe it has been useful, to register our strengthened political commitment to joint action in foreign affairs, to set up an agreed procedure for convening meetings quickly in a crisis and for giving extra support to the Presidency in its increasingly demanding role.

I note also that the London report registers the Ten's legitimate interests in political aspects of security and ensures that the Commission will be fully associated at all levels with political cooperation.

(Applause)

Madam President, during the British Presidency the Ten have continued their efforts to promote progress towards a just and lasting settlement of the Arab-Israel dispute. This is a difficult period in Middle East diplomacy. Israel's withdrawal from Sinai is shortly to be completed but the positions of the parties remain wide apart on the central questions of Palestinian rights and Israeli security. We have seen the pursuit of peace becoming more, not less complicated, most recently through the decision of the Israeli Government and Knesset to extend Israeli law to occupied Syrian territory in the Golan Heights, an act which the governments of the Ten strongly deplore.

These developments call for the Ten to adhere to a consistent policy based on the two principles clearly set out at Venice, and universally accepted by the international community, namely — and I spell them out — the right to existence and security of all states in the region, including Israel, and self-determination for the Palestinians in the framework of a comprehensive peace.

I believe it right that Europe should be closely involved, and we have done our best to maintain the involvement in a positive and impartial way. During our Presidency I visited Riyadh on behalf of the Ten to discuss the eight principles set out by Crown Prince Fahd which we regard as an encouraging sign of movement in the Middle East.

Four of the Ten have also agreed to participate in the Sinai multinational force. The Ten have given their support to this decision and we believe that by participating in that force, we *can* make a constructive contribution to peace in the Middle East.

And the Community has also contributed actively to international efforts to restore independence and non-alignment to Afghanistan. As the Parliament

knows, the European Council in June put forward a proposal for a two-stage conference on Afghanistan, and I subsequently visited Moscow to put this to Mr Gromyko on behalf of the Ten. We believe that this proposal represented — and represents — a realistic practical way out of the current tragic and unacceptable situation. It has been endorsed by a large number of countries, including many from the third world, and it remains on the table.

The Russians bear a heavy responsibility for the terrible suffering which they have caused the Afghan people ...

(Applause)

... and they must show the political will to remove their army of occupation from Afghanistan. The recent vote in the United Nations General Assembly made it clear that the views of the Ten on this subject are shared by an overwhelming majority of the nations of the world.

Of course, an area of particular concern to the Ten throughout the British Presidency has been East-West relations. On 15 December, the Ten expressed their concern at recent developments in Poland, together with their profound sympathy with the Polish people in this tense and difficult time, and they reiterated their view that the Polish people should solve their problems peacefully and in a spirit of compromise and without outside interference, so that the process of reform and renewal can continue.

Madam President, in the 48 hours since the ten Foreign Ministers met in London, the Polish skies have continued to darken. We are familiar, alas only too familiar, with natural disasters, but here in the heart of our continent is a man-made disaster on a colossal scale. Although news is censored, communications are cut and diplomatic facilities suspended, we read of arrests and detentions and evictions. There has almost certainly been some loss of life. There is an ominous silence about the fate of Lech Walesa.

I should not want to see the situation made more difficult by any words of mine. There is much that I could say, but will leave unsaid. But two things seem clear to me. First and foremost, as has been said so often before, there must be no foreign interference whatsoever.

(Applause)

Second, there must be an early resumption of the process of negotiation and conciliation, including release of those in detention. This alone can produce a solution to Poland's problem. I note that assurances on this subject were given yesterday in Warsaw by what is called the 'military council of national salvation'. This Parliament and the world will be watching to see how those assurances are put into effect.

(Applause)

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The Ten will continue to follow the events in Poland with particular attention. We stand ready, as the presidency, to arrange urgent consultations if these should become necessary.

In Madrid, we have been working for a balanced and substantial conclusion to the CSCE meeting. Some progress has been made, but proposals for a conference on disarmament in Europe and in the field of human rights remain unresolved. The Ten have been clear and united in our wish for real progress rather than vaguely-worded or cosmetic agreements. I should add that coordination in Madrid with other friendly delegations, including the United States, has been excellent.

There have, however, been more positive developments in East-West relations. We warmly welcome the start of talks on intermediate-range nuclear weapons in Geneva between the United States and the Soviet Union, and the constructive proposals made by President Reagan. We hope that the Soviet Union will respond positively. The full and frank talks which Chancellor Schmidt had with President Brezhnev were also particularly welcome, given the emphasis placed by the European Council in November on the importance of keeping channels open for dialogue with the Soviet Union.

Time does not permit me to give a full account of all the activities of the Ten, but I would like to draw attention to the important meeting my colleagues and I had in London with the foreign ministers of the ASEAN countries. I have circulated in the Parliament a statement by the Ten on the progress made over the code of conduct on employment practices in South Africa, which we believe is an important instrument of peaceful change. I would mention the high level of coordination by the Ten at the United Nations in New York. Performance cannot be measured only by common statements and explanations of vote, but it is nevertheless encouraging that we have done better than ever before in this respect, a reflection, I think, of the growing importance that we attach to working together.

(Applause)

Finally, I would say that I have noted the keen interest this Parliament takes in political cooperation. A presidency minister was present throughout Parliament's recent debate on political cooperation, and we have listened with care to the views of Members. I myself have conducted two interesting colloquies with the Political Affairs Committee of the Parliament, and these have proved a useful channel of communication between the Presidency and the Parliament.

When I last had the privilege of speaking before this House, I emphasized the British Presidency's determi-

nation to make our relations an effective dialogue and not an exercise in mutual frustration. We are partners, not adversaries, in the enterprise of making a success of Europe. I believe that this important truth has been reflected in many ways during our presidency. I would like to take this opportunity formally to welcome the contribution of the Parliament and of you, Madam President, and say how grateful my colleagues and I have been for the warm welcome you have always given us and for the cooperation we have enjoyed. Of course I pay tribute to our respective secretariats, who really do all the work.

(Applause)

As I said at the beginning of my speech, the time which a presidency has at its disposal to realize even the most modest of its objectives is limited. Nor would it be right — and I think I have not done so — to suggest that all has been plain sailing. What I might call the dark side of the picture is the number of causes we have for regret that progress was not made. It is not, frankly, to the Community's credit that we have not been able to meet the deadline set by the 30 May Mandate; nor that, after six years of discussion and five meetings of finance ministers during our presidency alone, we have not been able to agree on the non-life insurance services directive . . .

(Applause)

. . . nor that the foreign ministers, to their discredit, have been unable to agree on important measures in the field of telecommunications because of disagreement over one word.

I am sorry to say that one of the pieces of unfinished business derives from the outcome of your vote this morning on the 1982 budget. As the president of the Budget council said, this goes beyond what the Council was prepared to agree and therefore the budgetary procedure remains uncompleted. I understand that all this will be discussed by the Council in Brussels. I can only express the hope that we are not now heading, for a third year running, towards a budgetary dispute.

Madam President, the paradox which the Community needs to resolve is that in these times of political and economic uncertainty it seems to be becoming increasingly difficult, at the same time as it becomes more necessary, to take decisions. We have tried to demonstrate the tenacity and endurance which are needed in every presidency; but even they are not enough if there is no common will to reach conclusions, and that, I fear, is what has been too often lacking in our deliberations.

I sometimes hear it said that the Community makes no progress and that the Council in particular is indecisive. Well, I think that the record of the last six months, like that of previous presidencies, shows that

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this is only part of the truth. Progress has been encouraging in areas such as the environment, social policy and energy policy, which are still relatively new sectors for Community activity. There are many things that remain to be done that I would have liked to have been done during our presidency, and some important outstanding problems remain; but I have no doubt whatever that we shall find solutions to these problems, and I commit the British Government to supporting the Belgian Presidency and giving, them every help we can in this task.

(Applause)

President. — I call the Commission.

Mr Thorn, President of the Commission. — (FR) Madam President, ladies and gentlemen, a month ago I was here in the Chamber to talk to you about what is now known as the 30 May Mandate and about the work that had been done on it. It is to that task that my speech today will also be devoted.

A month ago I stressed that the decisions which remained to be taken were crucial. That was also the feeling of your Assembly. We were awaiting the European Council meeting in London, which has now taken place. The summit meeting has been held. A great deal of effort was put into it, particularly by the British Presidency. A number of significant results were achieved, and their value must not be underestimated.

And yet serious problems remain and are still being discussed. A second meeting, described by some as a 're-sit' took place at the beginning of this week. As the President of the Council said yesterday, this meeting has also proved useful, fruitful and constructive. And yet, we must be candid and say that very serious problems subsist and questions which are important — even crucial — for the future remain unanswered. Questions to which, it must be admitted, we have not been able to find the answer.

Questions which we must nevertheless resolve, and as quickly as possible.

Ladies and gentlemen, to get to the heart of the matter I will, if you will allow me, confine myself to observing that we are still only half way towards achieving the objectives which we set a few months ago and which we hoped to achieve before the end of this year. I must say to you in all sincerity that I am disappointed, just as you no doubt are. I must say that like you I hoped that our proposals would make rather more impact on the difficult questions which still remain unresolved. Of course, I have been able to note with satisfaction the welcome which the Heads of State and Government gave to the ideas proposed by the Commission in its report on the mandate on a

large number of major subjects, ideas which have been put to you over a period of time. And I must say that I was favourably impressed by the understanding shown by the Heads of State and Government for each other's arguments.

As I said yesterday it also seems to me that top politicians are now more aware of the need to work together to make progress and that they wish to bring our present task to conclusion by means of genuine political negotiation.

Progress, though, is slow, painfully slow. I would like to stress that point, for over the last few days there have been real negotiation between us, between eleven partners. Indeed, we can all see clearly that external constraints weigh increasingly upon us. Each new day sees the problems become more numerous and more acute. And having said that, it may be worthwhile wondering why our efforts have not yet borne fruit.

I think I ought to remind you very briefly that the results we have obtained so far are nonetheless considerable. Allow me to mention them briefly: the prospect of strengthening monetary policy, extended borrowing and lending capacity to promote industrial investment in certain fields of energy and industry; multiple initiatives to give more consistency to social policy and to the campaign against unemployment; increased real-term finance, particularly for the Social Fund, as you yourselves wished. And then improved concentration and an increase in real terms for the resources of the Regional Fund, without losing sight of the essential policy of convergence.

Madam President, I could continue this list of areas in which progress has been made. I would, however, prefer to stress that this progress, as I see it, and as you no doubt would wish it from the critical point of view, is an indication of a *de facto* consensus which will lead to the future development of the Community in many directions. That will be for the benefit of every citizen of Europe, to help solve their individual problems, to make easier their adaptation to an economy which is going through great changes. Even in agriculture there was agreement on a great many areas.

We must nevertheless recognize that on three extremely difficult major points there still remain differences of opinion. Those points are, as you know, milk, Mediterranean produce and the overall growth in agricultural expenditure. I do not suppose that any of you are surprised by these three. You already expected them to be the three most delicate points. In the case of milk, for example, conflicting demands stand in the way of any solution appearing for the present. The point from which the Commission started, and which I will not deny is fundamental as far as we are concerned, is controlling expenditure. Starting from there we must find a reasonable solution which takes account of small producers without penalizing unreasonably the efficient producers who by dint

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of frequently considerable and praiseworthy investment and improved productivity have attained higher levels of output. That will not be easy.

As regards Mediterranean produce and the growth in agricultural expenditure the gap has now narrowed, largely because of the proposals which we submitted. I think therefore that I can say without unreasonable optimism that agreement on a precise and tangible solution is not now beyond the realms of possibility.

As regards the budgetary refund, which was the fourth very tricky question we faced at the beginning of this week, progress has been made over the past few days. Briefly, I can say that first of all the problem of the United Kingdom has been recognized, and there has been a general agreement that any solution should be avoided which leaves too great a margin of uncertainty, in other words, that no one now wishes to be committed on the basis of estimates and projections which may well be scientific but are nonetheless by their very nature random. And there has been agreement — I think I can call it agreement — by all the partners on a temporary solution. Lastly, there has been an agreement on the principle — on a principle — of tapering in the budget refund, always assuming that we will be able to control agricultural expenditure and general expenditure.

Starting with this fairly simple and functional background we must now draw up a central policy for refunds which will determine the amount given to the United Kingdom to alleviate its budgetary burden.

Generally speaking, ladies and gentlemen, the long discussions which we had amongst Heads of State and Government and then amongst Foreign Ministers enabled us to understand precisely what the others were proposing, what they favoured, what their priorities were, where they were inflexible, and even where some concessions could be hoped for. In all events, a great deal of undergrowth has been cleared away. The process went far enough for the Foreign Affairs Ministers to consider it worthwhile asking the President of the Commission to try and find the basis for a general solution which could be submitted to a new meeting in the middle of January.

As I told you yesterday, I considered it my duty to accept that task. First of all because the institutional role of the Commission required that I accept it. I would add that my immediate feeling was that the Ministers' actions were also done out of respect for and confidence in the Institution of which I am President: respect for the management which the Commission has undertaken so far and confidence that we have a certain amount of imagination.

Notwithstanding all this, I am not unaware of the risks of failure which attach to this task. I am far from enchanted by its delicacy, and if I have undertaken the task it is because I believe, just as Mrs Thatcher

reminded you yesterday, that the challenges facing the Community today mean that we must without fail conclude our discussions and conclude them rapidly.

For, ladies and gentlemen, if we look at the state of the world and the state of our own economies we will see what our fellow citizens expect of us. What will we be tomorrow as isolated states on the international scene at a time when even super-powers are searching feverishly for allies, for integration, for regional or ideological solidarity? We have to succeed in our attempts to give the Community new life, now more than ever before.

I wish to make plain to you the terms and constraints I set when accepting this task on behalf of the Commission. Since it is, in the absence of arbitration, a sort of broker's job that we are doing, the first condition was that whatever we do will remain within the framework of our own policies and our own earlier proposals, in other words the ones we had already discussed with you. I say plainly now as I said it in London: there can be no question of our bargaining away the principles which we have defended so far and which we promised you we would defend. There can be no question of our changing the positive philosophy which has directed our own work nor of changing the global approach which is the Commission's policy.

At this point I would remind you that we reject out of hand any suggestion of the 'fair return' approach, as we reject any reasoning based on net balances and any suggestion of an artificial ceiling to own resources. And, broadly speaking, there can be no question of our initiative being side-tracked by demands which are unconnected with the real problems. There must be no attempting to hinder us with procedural wrangles and preconditions. Despite the fears expressed yesterday by Mr Bangemann we shall not accept any alignment on the basis of the lowest common denominator.

As I told you on 17 November, the report which we submitted on the mandate in June was simply the first stage in a long process. It was, if I may describe it metaphorically, the first stage of a three stage rocket. The report was followed by a large number of communications which set out in detail the actions which we were proposing as part of the new initiative, and that was the second stage. We have not yet completed the third stage since we have not yet added to those communications proposals for actual operations. I can tell you that as soon as the Council has given its agreement we shall accelerate the implementation of our proposals and communications with specific proposals of an operational nature. At that point in time the European Parliament will of course have to examine them in detail and the Council will be asked to find a solution and take a decision.

We must be careful though! If we want to have any chance of reaching the particular orbit we have chosen we must be careful not to deviate too far from our

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trajectory. Our craft has been designed for one particular path and cannot be used to follow any trajectory that is asked of it. In other words, if our basic guidelines are not followed or if they are broken up, delayed, separated or adulterated the path that is followed will not be ours and — as I have realized for some time — will not be yours either. And in those circumstances I would fear for the success of the initiative: our mission would no longer have any chance of success since in our eyes it would no longer have any sense.

On the other hand, and I cannot express this too strongly, our mission will have every chance of success if the Member States agree to submit to the views of the majority, which is what we have constantly called for, and if they accept that the Commission genuinely defends the interests of the Community as a whole and in doing so does not fail to take account of the quite understandable interests of each of the Member States, from the most modest to the most powerful. Under these ideal conditions chance would really be on our side and we would without doubt be able to bring about very rapidly the political agreement which seemed to be within reach at the beginning of this week: a political agreement which would form the basis for an operational stage.

Of course, ladies and gentlemen, our task during the coming weeks is not simply to send out a string of proposals with the sharp edges knocked off and ask the authorities in the Member States to use their persuasive power and patience to get them accepted by our fellow citizens, by public opinion and by professional groups. What must be done is for you, ladies and gentlemen, the Members of this House, to contribute actively to public support for a new Community initiative. You must support us with conviction and determination in the political circles in your own countries. That is what is needed if we wish to renovate our Community which, after twenty years, has acquired a few merits and a few skills but which has — let us be honest — also acquired a few wrinkles and still has many shortcomings as well as a few bees in its bonnet.

(Applause)

President. — I call the rapporteur.

Mr Antoniazzi, rapporteur. — (IT) Madam President, firstly I would like to thank the Presidency and the Assembly for giving me an opportunity to speak at this moment during a debate whose general and political aspects are very relevant to the current discussion.

When the question of the future development of the institutions cropped up the Political Affairs Committee of the European Parliament drew up a list of objectives concerning interinstitutional relationships which would give the European Parliament an increasingly

central role as the democratic and political driving force behind the Community, bearing in mind the principle of a Parliament elected by direct universal suffrage.

The resolution before the Assembly today is one of a series relating to institutional matters which are currently being examined or have already been approved by this body. It concerns the role of the European Parliament in its relations with the European Council and the explanatory statement recalls the precedents and historical studies, the Vedel and Tindemans plans, the Three Wise Men, the work of various experts, etc.

The institutions established by the Treaties are the Parliament, the Council of Ministers, the Commission, the Court of Justice and the Court of Auditors. Our situation is not a typical one when we compare it with the three traditional powers in democratic systems: the Parliament is not a legislative organ, but a consultative body in the course of development; the Council of Ministers is not an executive but a deliberating organ; the Commission has the power of initiative; it is responsible for the management of the Community and is an organ which has no parallel in conventional political systems, being half way between government and parliament. This is an unusual but understandable arrangement in the initial phase of the process of integration — a process which is supposed to evolve from partial alignment in the economic field towards the goal of political union. Thus it is understandable that the initial steps in this great and promising democratic scheme with all that it holds in store for Europe and the world should have been tentative and that the structures chosen should have been experimental. The institutional system which was intricate and novel from the very beginning but which over the years witnessed a modest development in the links between the institutions — realized partly by legal measures and partly through the interpretation of *de facto* situations — was modified in 1961 in an initiative of unquestionable political importance — the summit meetings of the Heads of State and Government.

This new structure — which always seemed like a *de facto* institution — was conditioned by the need to give political impetus and direction to the Community. Until 1974 the summit meetings were not held on a regular basis, as though to underscore the special nature of top-level inter-governmental meetings at particularly difficult and important moments. The last summit was held in December 1974 and it was at this time that the 'European Council' was called into being, in view of the 'need for an overall approach to the internal problems involved in achieving European unity and the external problems facing Europe' (Paragraphs 2 and 3 of the official communiqué issued at the time).

From this time the European Council has met on an increasingly regular basis, with its own timetable at

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fixed intervals, and has more or less become an institution in its own right. The European Council has become an important political point of reference in the life of the Community — a Community which at times has taken political advantage of the European Council and at times has experienced unforeseeable setbacks. Mrs Thatcher, whom I would like to thank for coming here, said yesterday that the European Council had become an important feature of the European scene. The points I have just made demonstrate the need to establish links with the European Council as called for by the Political Affairs Committee of the European Parliament. For the present we must focus on how precisely we will establish permanent contacts in the fields of information, debate and mutual influence. This is the purpose of the present resolution whose scope is admittedly confined to the current situation.

In the context of institutional development we will have to define — though we cannot do so today partly because we have not been given the task — the role, the legal nature and the precise function of this organ which we all see as a somewhat hybrid body. This is indispensable if we are to avoid creating institutional confusion and jeopardizing links which have already been partially established between the Council of Ministers and the Commission. These links must be maintained and developed in the manner set out in the existing agreements and procedures, without complications which would have adverse effects on the Community. After all, this has already been recommended on good authority — *inter alia* by the Legal Affairs Committee and its Chairman, Mr Ferri, and naturally we had to bear this in mind. The new Committee on institutional problems will have to tackle this problem by combining the resolutions approved in the past together with this and future resolutions so as to present a set of consistent rational and balanced proposals concerning our institutions. We will certainly have to take account of the legal basis referred to in the explanatory statement in my report, a basis which is contained in the preambles of all the Treaties from 1951 on and which concerns the promotion of political development.

Links with Parliament have improved, credit being due to the current Presidency of the European Council which by its presence here this week and judging by the report it gave us seems to have initiated a noteworthy form of cooperation which is partly in line with the objectives of our report. This new situation should mean that future relationships will involve less red tape and more politics. In our view the European Council, now that it seems concerned with becoming a permanent feature of the Community, should not confine itself to supplying us with comments and reports, for though these are always useful on specific issues they might sometimes have been equally well prepared by the Council of Ministers. Rather it should present us regularly with dynamically-oriented political initiatives to be discussed jointly, concerning the general state of progress in the Community, full imple-

mentation of the Treaties, the revision and updating of the Treaties, and the preparation of proposals for political union. This is the main thing Parliament expects — a Parliament which must increasingly become the democratic centre and driving-force of the peoples of Europe.

Our citizens have elected us to promote the political development of Europe, and more active political cooperation is a central feature of this development. On this point I would like to thank Lord Carrington, who has shown himself to be an active and sincere advocate of this cause.

I hope that Parliament will succeed in giving a positive push in this direction. So far little has been done. We must intensify our efforts and reinforce our supervisory role so that we can respond, at least in the second half of our term of office, to the political demands which have been cropping up throughout Europe and the world — demands which have often been frustrated by the limited and egoistic viewpoint of national governments, to whom we appeal for a more consistent policy. Moreover, the intentions often expressed in this House have not always been followed by practical action. Increasingly, Europe will be able to become a dynamic and peaceful society characterized by social security and democratic freedoms if we — particularly here in the European Parliament — succeed in interpreting our important role which is at once stimulating and challenging. I hope we will be able to live up to the expectations of our 300 million citizens, to whom the people of the world look with hope.

Our institutional development requires greater stabilization if we are to guarantee the cohesion of Europe — a Europe which must avoid the errors of the past and which, true to its culture and its best traditions, will be able to assume a new role, while bearing in mind the requirements of the Third World, the zones in which people die of hunger or in which freedom has been obliterated. In particular, we need a Europe which will be able to exercise a moderating and mediating influence to assure peace and progress for itself and others.

The resolution before the Parliament, which is the fruit of the joint efforts of members of almost all the political groups and which may indeed have shortcomings, does not presume to be a fundamental document. However, it could be a small but significant contribution towards the Europe we desire but which is still so far away. Will our commitment be enough to ensure that we move in this direction, day by day, without forgetting our rights and above all our duties? Only a responsible European Parliament with a long-term sense of political direction can determine the outcome of this question.

IN THE CHAIR: MR MØLLER

Vice-President

Vice-President. — I call the Legal Affairs Committee.

Mr Ferri, draftsman of an opinion. — (IT) Mr President, ladies and gentlemen, the debate on the report by the Political Affairs Committee on the role of the European Parliament in its relations with the European Council presented by Mr Antoniozzi is an extremely topical one because it is being held not just in the wake of Lord Carrington's report on the six months of the British Presidency and the statement by the President of the Commission, Mr Thorn, but on the day following the account given to this Parliament by Mrs Thatcher, the President of the European Council in the second half of this year. Thus Mrs Thatcher's account and the brief but intensive debate that followed have gone some way towards realizing at least some of the proposals contained in Mr Antoniozzi's resolution. In this debate the representatives of the Groups put their standpoints very clearly and while not transgressing the bounds of courtesy due to the President of the European Council, they did not hesitate to express critical views. Thus from the political point of view this was an interesting prelude to the positive relations which may develop between Parliament and the European Council.

The Legal Affairs Committee, of which I am speaker and draftsman of an opinion, has been concerned about one particular feature: the danger that an excessively formal — and certainly premature — institutionalization of the role of the European Council and its relations with the Parliament may have an adverse effect on the distribution of powers among the various institutions as set out in the Treaties and, consequently, on the equilibrium of the institutions, which it is in everyone's interest — and in particular Parliament's — to preserve.

From this point of view, Mr Antoniozzi's report and motion for a resolution is sufficiently critical and elastic and so the Legal Affairs Committee, while drawing attention to the above-mentioned problem, feels it can lend its support and calls for a vote in favour of the resolution.

However, in this connection I would like to draw my colleague's attention briefly to a number of points. There is no doubt that yesterday's sitting was an important one and that it has given some satisfaction to all of us — in particular the outside world, the 'scene' as I would like to call it while in no way wishing to seem derogatory.

However, I think it has also become quite clear to us that the relationship between Parliament and the

European Council cannot be other than one of dialogue and political information and that given the present state of the institutions and their foreseeable development will never become one of political control which might in any way resemble the relations which exist in some form or other between all democratic parliaments and their respective governments.

In the Treaty system this particular type of political relationship applies in particular to two institutions — the Parliament and the Commission.

This is why the Legal Affairs Committee asks you to pay attention to this issue and has proposed a special supplementary amendment — one which I hope Mr Antoniozzi will accept because it is fully in keeping with the spirit of his report and motion for a resolution — demanding that, in the development of the role of the European Council, the Commission's role remain intact.

The words 'remain intact' are euphemistic, because we must have the courage to admit that in reality the European Council, which plays such a decisive role in so many fields, has already tended to alter the institutional balance. I believe that the representatives of the Commission are aware of this fact and indeed the present President, Mr Thorn, did not neglect to make this point, which was also mentioned in the valuable document on the 'Relations between the institutions of the Community'.

If to this we add the continued application of the unanimity principle in the Council of Ministers it cannot be denied that the role of the Commission as initially conceived in the Treaties has been weakened; I might add that as a result Parliament's role — political control *vis-à-vis* the Commission — has also been weakened. This is a role which given the very nature of the Community system cannot possibly be exercised by Parliament in its relations with the Council of Ministers or for that matter the European Council.

These are the points I would like to make on behalf of the Legal Affairs Committee and which I feel Parliament should bear in mind.

We must look to the future and strive towards a development of the Treaties which will increasingly stress the democratic character of the Community and consequently, the role of Parliament — a Parliament elected by universal suffrage — while at the same time we have a fundamental obligation to safeguard and exercise the powers attributed to us in the Treaties — powers which are by no means negligible. In this way we can contribute to maintaining the institutional equilibrium which is the characteristic feature of this new construction in our history — the Community to which we all belong.

President. — I call the Socialist Group.

Mrs Castle. — Mr President, Lord Carrington is a very polished and plausible speaker who is brilliant at making verbal bricks with the minimum of real straw, and he has shown that talent again this afternoon. Now of course he is right in saying that no one can achieve the millenium in six months of a Presidency, but the question we should be asking ourselves today is whether this Community is going forward or backwards in dealing with the great issues which challenge it.

We all know what they are — Lord Carrington has admitted some of them; what he called 'relentlessly rising unemployment' being one of them. Of course, there is social inequality and world poverty and the starting point for solving these problems must be the development of better economic and social policies and a better distribution of the Community budget — those issues which the Summit was supposed to achieve.

Now Lord Carrington's report today was as depressing as Mrs Thatcher's yesterday and it is clear that the Foreign Ministers' informal meeting achieved no more than the London Summit did. All right, we are told there are going to be more meetings in January, new guidelines are to be drawn up. But hope deferred makes the heart sick. And I am sure that Lord Carrington has been told that Mrs Thatcher's speech yesterday left the Parliament heart-sick indeed because it was barren of any new hope that the Community is capable of fighting unemployment or creating a just society.

And indeed that is not surprising in view of the fact that her own government, by its stubborn adherence to a bankrupt monetarist policy, has pushed up unemployment in Great Britain to nearly 3 million, one-third of the unemployment to be found in the entire Community, and her government is savagely cutting public expenditure on the very social problems which we say we want to see tackled imaginatively in the Community. It really is to me extraordinary that Mrs Thatcher should have come all this way just to tell us she had no progress whatsoever to report as a result of her Presidency.

Oh yes, we were told, but that was a welcome gesture of recognition of the importance of this Parliament. But we are sick and tired of gesture politics; what we want are action politics. And the best action for recognizing the importance of this Parliament would have been for the President-in-Office of the Council to have encouraged the Council to accept the improvements in the budget which had been voted by this Parliament a few weeks ago, because the budget is the means by which action is financed.

Our votes on the budget this morning were the test of Mrs Thatcher's sincerity. The fact is that the Presidency, through its Trojan Horse in this Parliament, the European Democrats, has undermined the will of

Parliament; and yet their leader, Mr Scott-Hopkins, dares to put himself forward as a worthy President of this Parliament. On issue after issue, the European Democrats have used their abstention this morning to deny Parliament the requisite majority for the reforms we all know we need if ever we are to translate words into deeds. On issue after issue, they have forced Parliament to accept the lowest figure of the proposed expenditure. We know, for instance, that on Article 500 — the crucial section on the Regional Fund — not only did the British Conservatives oppose the 985 million increase but undermined the compromise of 75 million more units of account carefully worked out by the Committee on Budgets and forced the figure down to 30 million units of account — a mere £ 20 million to help us face the industrial catastrophe which exists in so many industrial areas!

The same story can be paralleled in item after item in the Social Fund. The European Democrats like to pose as great Europeans, yet the fact is that they act in this Parliament merely as the agents of their own government in contrast to the behaviour of the Socialists in this Parliament. For example, on the social measures for the steel industry, it was the German Socialists who had the courage to use this Parliament to force this item into the budget, whatever their own government might be saying about it. The result is that they helped us to force the Council to accept the 62 million figure in 1981 . . .

(Interruptions)

I am sorry, my time is being curtailed by interruptions, Mr President. I am not going to have my time forfeited in this way.

Sir Frederick Catherwood. — Well then, stick to the subject!

Mrs Castle. — I am sticking to the subject, but you cannot face the facts, and it is time this Parliament faced some hard facts. Mr President, I claim one minute's retribution for that interruption.

(Protests)

Mr Bangemann, whom I heard harangue Mrs Thatcher yesterday, saying, 'We want more money, we are willing to help you but you must help us', then led the Liberals into whittling down some of the money for which the Committee on Budgets was asking. So the result is that while the Committee on Budgets was asking for 350 million more for improvements, we have ended with a figure of only 220 million. And yet the Committee on Budgets' figure was totally inadequate for dealing with the sort of problems the Summit was supposed to solve. No one can say that Parliament's original demands were irresponsible, because we have always been ready to

Castle

balance increases in regional and social spending with savings in agricultural spending. And the Council says it wants it. This is one of the things the Summit was supposed to achieve. And yet, what has happened? We know there were massive savings in agricultural spending in 1981, due largely to the rise in world prices; but what did the Council of Ministers do with that? First, it pocketed the savings instead of spending them on social and regional policies: they returned the bulk of them to member governments. And secondly, the Council, instead of pruning back the agricultural estimates in the 1982 budget in the light of this experience, have re-entered the same figures in the 1982 budget which proved excessive in 1981. The result of this is that there is an increase of 18% in the agricultural spending provided for in 1982 over the revised estimate in 1981. Now, I say, Mr President, this is hardly a propitious beginning for the restructuring of the budget for which we are waiting with baited breath. Can it be that this money is being held in reserve for a massive price-increase in 1982, despite what the President of the Commission has just said about the need to reduce agricultural prices? We all know, do we not, that the European farmers in COPA are already demanding 16% increase in agricultural prices next year. If so, none of the problems that Summit was supposed to be discussing will have been solved.

Mr President, it is a sorry picture we have been given today and yesterday. And I say with a sad heart, we have heard not just of the failure of the Summit, but of the failure of the Presidency.

(Applause from the Socialist Group)

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

Mr Van der Gun. — *(NL)* Mr President, ladies and gentlemen, feelings are running rather high among the representatives of the United Kingdom and I obviously have no wish to get involved. So I will therefore merely make a number of comments on what, as I see it, is a fundamental point but one which, as Mrs Castle has also said, has hardly got beyond the stage of good intentions I would have said this even if it had been a Dutch Minister or a Dutch Council President who had spoken. Quite simply, there has been hardly any progress in this field, as far as I can see. It has indeed remained no more than a good intention and even if Lord Carrington says this afternoon that we must be careful to resist the temptation of protectionism and suchlike, it strikes me that we might even be inviting protectionism and the risks this implies by failing to develop a European approach to the employment problem and leaving the matter in the hands of the national governments since this will inevitably lead at some point to increased internal competition and a real trend towards protectionism as by means of

coping with this competition and, as we have all agreed, this would be disastrous.

We also agree that we must tackle the employment problem on three fronts. Firstly, we must create new jobs, secondly, we must maintain existing jobs, and thirdly, the available work must be redistributed. What is Europe waiting for? Why does it not get down to developing a European approach on the basis of these three principles which, it is fairly safe to say, are generally accepted? This, Mr Carrington, would be an effective way of preventing internal competition and protectionism within the Community. However, as long as we leave employment policy to the national governments, we will have to reckon with increasing tensions and the possibility of protectionism.

Mr President, I should like to make a further point of this question. The whole world is, quite understandably, at sixes and sevens as regards the problems of peace and security. However, I am coming to wonder whether or not our political leaders — and I am speaking in very general terms here — are not making a mistake in thinking that these problems can only be caused by external factors and whether they take sufficient account of the fact that keeping society on its feet will prove more and more difficult if we are virtually unable to offer young people any prospects, if all we can tell them is that there will be no possibilities for them for the next few years and if we have to tell people of 45 or over when they become unemployed that they are finished, that their active participation in working life is more or less over and done with at that age. I am convinced, Mr President, that a situation of this kind constitutes a serious threat to the smooth running of democracy and the democratic institutions themselves.

I should like, therefore, to make an urgent appeal to the Members of the European Council and of the various Councils of Ministers to look into these problems with a view to breaking free of the shackles of nationalism and finally arriving at an integrated European approach. Mr President, I will shortly be leaving this Parliament and this is the last time I will be speaking here in public. I am glad therefore that a little glimmer of light has begun to pierce the gloom, particularly as regards the problems in the steel industry. Mrs Castle described the difficulties which have arisen in this area, but it is nevertheless a fact that we can now tackle these problems jointly. One swallow does not make a summer, but I hope that there will in fact be so many swallows that summer really will come, by which I mean that we will manage to develop an integrated European approach in many more sectors than the steel industry alone. Mr President, my five minutes have come to an end and I should like to conclude by thanking you for directing operations in the European Parliament and also by thanking the Members of the Secretariat with whom I have had the pleasure of working for ten and a half years. I should like to thank these colleagues and our colleagues from the old

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Parliament — who are getting on for a few hundred by now — for the way in which they have been prepared to listen to me and endeavoured, with a good sense of team spirit, to make Europe something more tangible. I wish all those present all the best both in their private lives and, of course, in politics too and I hope that I will soon be able to witness the establishment of a really integrated Europe with a Parliament which functions as a Parliament with legislative powers should function. Then I will really be able to watch this development at my leisure at a certain distance but nevertheless with great satisfaction and approval. I wish you all the best for the future.

(Applause)

President. — I think I speak on behalf of the House when I extend my best wishes to Mr Van der Gun and thank him for the good work he has done both in the directly-elected Parliament and in the previous one.

I call the European Democratic Group.

Mr Hopper. — Mr President, on behalf of my group may I join in with your very good wishes and thanks to Mr van der Gun. My group also wishes to thank Lord Carrington for his lucid statement and, like him, regrets that it has not been possible to conclude the mandate debate before the end of the year.

In particular, my group welcomes the decision in principle to triple the size of the proposed facility under the new Community instrument. I am aware that there is some disagreement between the Commission and Parliament on the one hand and the Council of Ministers on the other and that there is to be a conciliation procedure under the chairmanship of the President of this Parliament. We earnestly hope that this procedure can be expeditiously carried out.

I now turn to the part of the mandate proposals which deals with the internal market and to which Lord Carrington has referred. The Council of Ministers has put a very great deal of work into around 80 draft directives, of which some 29 were drawn up under Article 100. The object of these 29 draft directives would be to remove non-tariff barriers to trade. They would be in addition to the 120 directives which have already been approved under this Article.

Of these 29, 21 are extremely important because they cover activities like the manufacture of motorcars, industrial trains and pressure vessels. All of these have been held up in the past because there is no agreement on the proposed method of giving type-approval to products imported from third countries.

At present for many manufactured articles a type-approval certificate is awarded by a national authority in each Member State. It follows that to sell

throughout the European Community a manufacturer needs 10 national approvals requiring lengthy and time-consuming procedures. Furthermore, the type-approval certificates are given to manufactures only. Independent dealers have great difficulty in obtaining access to these certificates. It follows that for many types of goods, such as motorcars, there is no true common market. The proposed system which is enshrined in the 21 directives to which I refer is based upon the principle that type-approval by one national authority should be valid for the whole European Community. The directives propose that the scheme should be administered by a committee representing all Member States, chaired by a representative of the European Commission. The benefits from the adoption of such a scheme would be manifold. First, the consumer would benefit by lower prices. Secondly, there would be some impact upon inflation as the price level in general was affected. Thirdly, the increase in trade which would ensue would stimulate economic activity, resulting in lower unemployment. All these consequences are obvious.

There is a fourth benefit which is somewhat less obvious: under the GATT arrangements, as recently revised, there is a possibility of reciprocal action against overseas manufacturers who export to the European Community and who themselves engage in restrictive trade practice in their own countries, which inhibit the importing of goods from the United Kingdom.

The adoption of the 21 stalled directives would put an important weapon into the hands of the European Community. It would help the Community to make a reality of a common external trade policy, something which it desperately needs.

Let me say that we in our group recognize and appreciate the effort and skill that have gone into finding solutions to these problems during the British Presidency. We hope that a conclusion can be reached during the Belgian Presidency.

Finally, to refer very briefly to the speech of the honourable Member from Greater Manchester North, since she incorrectly refers to my leader as Mr James Scott-Hopkins, may I correctly refer to her as Lady Castle.

I would draw to her attention the fact that the last Labour government did precisely nothing to resolve the problem of the imbalance of payments between Member States and that the present British Government has a major achievement to its credit. I would also add that we should not conduct our domestic British politics on the floor of this House.

President. — I call the Communist and Allies Group.

Mr Denis. — (*FR*) Mr President, I should like to give you the views of the French members of the Communist and Allies Group on the latest European Council.

There has been a good deal of talk about failure. Indeed, it was a failure for all those who believed that the moment had now come to strengthen European integration at the cost of national policies. The inability of the European Council to reach agreement made clear that it is vital that more consideration be given to national realities so that we can through the Common Market develop a form of cooperation which is built on respect for mutual interest and individual sovereignty in every domain. That much is evident when we see that the new government of Greece is calling for a special status within the Community. The same goes for the people of France, who are confirming their own wish to see new policies: a wish that no one, not even Brussels, may dispute. It is true, too, for social reality. We are now past the figure of ten million unemployed. A report by the Commission has revealed the existence of thirty million poor in our own countries and the proposals to enlarge the Community represent a real threat to employment and to whole regions of our country without bringing any advantage to the people of Spain and Portugal themselves.

How could such national and social problems fail to make their mark on the London summit? From that aspect we are delighted that the President of the French Republic made any agreement between the Ten conditional on respect for the general principles of the Common Agricultural Policy and the defence of the income of French producers. For there can be no real European construction unless the interests of nations and peoples are taken into account.

From that point of view we had a difficult inheritance from Mr Giscard d'Estaing, particularly as a result of the intolerable financial demands made by Mrs Thatcher. Any attempt to establish a European system of constraints must be unacceptable. Such constraints are contrary to the freedom of choice which every country and every people has to embark on its own policy of economic and democratic reform aimed at progress and social justice. We Communists are and will always be firm on this question of respecting independence, sovereignty and national identity, and of respecting the policies laid down by the government of France. At the same time we wish to contribute to the building of the workers' Europe — and the best conditions for so doing are when those principles are respected — a Europe of social progress, of democracy, of cooperation and of understanding between all peoples: a Europe of peace.

Social progress and democracy in Europe means dealing with unemployment as a priority. Are we now finally going to decide to put employment at the heart of any action by the Ten, as the Treaty of Rome actu-

ally obliges us to do? The memorandum from the French Government shows the direction we should follow. Will the Community continue to finance cuts in jobs, to plan redundancy and to orchestrate the broadening of the Community market to American and Japanese products? It is in concrete terms that we must deal with unemployment, with inequality and with reducing the working week. And from that point of view a great deal remains to be done to bring in the main trade union organizations on defining the main Community objectives.

I have spoken of employment and I would now like to turn to the Common Agricultural Policy, which ought also to be a factor in social progress. A real Common Agricultural Policy means first of all guaranteeing income to family farms. We have to stop regarding agriculture as a burden and realize that, on the contrary, it provides millions of jobs and guarantees our independence in food. The forthcoming round of agricultural price setting will therefore be of great importance. The principles of the Treaty of Rome must be respected, particularly the Community preference, which means that we must finish with low cost imports from third countries — frequently the United States — which benefit from quite unjustified customs franchise privileges.

Lastly we must regard our countries' agriculture as a weapon in the fight against hunger, and that leads me to the problem of cooperation with developing countries: cooperation whose nature and level must be changed. Europe can play an important role in the struggle against the calamities which are still the lot of more than a thousand million people: hunger, servitude, underdevelopment, illiteracy. Progress was made in this area at the Paris conference of the least developed countries where France undertook to double its aid. In the same way France's voice was heard at Cancún calling for the opening of global negotiations within the United Nations on this question of development.

It is in such a spirit that the European Community should play a positive role by giving real democracy to the operation of the Lomé Convention. It is intolerable, for example, that the ACP States should be confronted with the *fait accompli* of the entry of Greece into the Common Market. Are we going to continue to say 'no' to every legitimate request made by those states?

I have already mentioned Europe at peace. I should like to conclude by expressing my delight at seeing the millions of men, women and young people who have expressed in so many ways their opposition to the siting of new missiles on our continent, their rejection of the neutron bomb and their determination to negotiate. It was that remarkable movement which led to the opening of negotiations in Geneva. In our view this popular and humanist movement should develop further so that the negotiations result in arms limita-

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tion and reduction, and at the same time guarantee the balance of forces in Europe and in the world and the security of every country.

Mr President, this movement is in the interests of every country and people in Europe. It is for that reason that we with many others have taken our place in this popular movement, and done so in the spirit of the agreement we concluded with our socialist comrades. That, ladies and gentlemen, is what we are proposing for France. It will help give Europe a quite different image and quite different objectives from those which have been submitted to us today.

President. — I call the Liberal and Democratic Group.

Mr Haagerup. — (DA) Mr President, since I wish to address the President-in-Office directly, I shall make an exception and speak in English.

(The speaker continued in English)

In the three minutes allotted to me as spokesman for the Liberal and Democratic Group on the British Presidency and the developments in EPC I shall limit myself to the following brief observations.

On EPC the Presidency and the Ten get more than a pass rate. Satisfactory progress has certainly been achieved, and we expect more in the near future. On the overall performance of the British Presidency, we can award a pass grade, if nothing more, and acknowledge the efforts made, and notably by Lord Carrington personally, to achieve progress not only in EPC but also in relations between the Council and the Ministers meeting in political cooperation on the one hand and the European Parliament on the other hand.

On Community cooperation and development in general during the British Presidency, I am sorry that we are not able to give a pass grade but an F for failure. Certain efforts have been noted, but I am afraid they have led to practically nothing in the most important areas. My group is by no means blaming the British Presidency solely, or even principally, for this sad state of affairs. All member governments, though not all to the same extent, must share the blame of the F for failure for the meetings of the Council. However any country chairing the meetings of the Council of the Ten bears a special responsibility for obtaining results and may even sometimes sacrifice certain national interests in order to get things moving. This may well have been the case during the past six months, but if that is so, I am afraid we are not aware of it.

My group has more than once declared itself satisfied with the progress in EPC, but even here more could and should be done. We are not overly impressed by the joint statement by the Ten on the situation in

Poland, and that applies even more to some of the statements made by governments individually. We think, quite frankly, that the statements on Poland that will be adopted tonight by this House will reflect much more clearly the views and reactions of the people of our countries. Let it be said as clearly as possible that progress in EPC cannot and should not be accepted as a cover behind which our governments and the Council can camouflage the lack of progress in Community affairs. These two aspects of our cooperation must go hand in hand, and we therefore, in my group are regrettably forced to the conclusion that the British Presidency is leaving many, in fact too many, unresolved tasks to the next presidency, even if this is not the way that Lord Carrington would have liked to see it.

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

Mr Israël. — (FR) Mr President-in-Office, I would like in addressing myself to you first to thank you for the undeniable determination to see progress made in political cooperation which has been a feature of your presidency. You have made a number of improvements and you have undertaken useful consultation. At the beginning of your presidency, Mr President, you took up the question of Afghanistan. The originality of your proposals lay in your wish to see the Afghan resistance take part in any negotiations. The intention was excellent and deserved a better fate than it received. It was unfortunate that such a failure should mark your first day in European affairs, since it can have been no encouragement to you to continue.

For myself, I would hope that you will continue to inspire the presidency along the lines which you have already set out, and I believe that I can give you the support of this House, which I trust will be adopting shortly a report on Afghanistan which will be an incentive to you to take the initiative again. For it is a fact, Mr President, that the present situation in Afghanistan is unacceptable and this should be reflected rather more in international life.

Turning now to the Middle East, Mr President I would also like to start with a compliment. You were wise enough to emphasize one essential aspect of the crisis in the Middle East, namely the need for all Arab representatives to recognize Israel. Indeed, you saw that recognition of Israel by all Arab representatives was at least as important as the evacuation of the occupied territories or the emergence of a homeland for the Palestinians. Alas, you relied too much on your trip to Saudi Arabia. You were right to make the journey, and I would add that you were wise enough to avoid a number of unfortunate meetings whilst you were in Riyadh. Unfortunately, though, you believed that point 7 of the Fahd plan was going to be accepted by all of the Arab States. I am aware what disappoint-

Israël

ment you must have suffered when you learned of the conclusions of the Fez Summit, Mr President and I would repeat to you the words it was my honour to say to you in London: 'Are you not afraid that it is now impossible to obtain any recognition at all for the State of Israel from the Palestine Liberation Organization?' That does not, of course, mean that we must give up hope of resolving the Palestinian problem: I say it in all candour. I fear that the problem will have to be solved without the Palestine so-called 'Liberation' Organization.

Lastly, Mr President I would like to thank you perhaps a little less warmly, for the importance which you have attached to human rights during your term of office.

The Political Affairs Committee of this House asked the Council to consider the possibility of submitting an annual report to Parliament on human rights. You declined this suggestion, Mr President not because it seemed impossible to you but perhaps because you did not wish to impose such a burden on your successor. It is nonetheless essential that the European Parliament receives regularly, at least annually, an overall report on the state of human rights in the world, and since you will not supply it, Mr President the Political Affairs Committee will attempt to draw up the report itself.

What is more, you have frequently said that you attach great importance to discretion in the handling of human rights and that discretion is the only way of achieving anything. Your approach, Mr President has thus been diplomatic. I am going to take a parliamentary approach and tell you that caution should never be allowed to stand in the way of clarity. I shall also say, Mr President, that the human rights lobby in this Parliament will continue its action. For it is our view that interference in other peoples' affairs is not inadmissible when human rights are involved. As events in Poland are proving, Mr President, real interference is armed intervention or the threat of armed intervention or the organization of external subversion.

When human rights are concerned, Mr President-in-Office it is our duty to intervene.

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

Mr Bøgh. — (DA) Mr President, when the historians come to pass judgement on the British Presidency, two significant factors will stand out. For one thing, the European Community has shown itself to be quite incapable of dealing with the economic and social problems — that is to say the human problems facing the 10 million unemployed. All these problems remain unsolved and there are as yet no credible plans for

alleviating the situation. On the other hand, though, the Community has compensated for its impotence in this sphere by building itself up in the foreign policy sphere and by taking steps to make a political superpower out of what should have been a smoothly functioning economic and trade cooperation entity. I am thinking here first and foremost of the London decision of 13 October this year, which strengthened foreign policy cooperation within the Community, which gave the Commission a firm place in foreign policy cooperation and which agreed on more mutual confidence and greater secrecy on decisions and the possibility of holding urgent meetings at times of crisis. The most noteworthy element, though, was that a legal basis was provided for security policy within the European Community.

These decisions gave rise to opposition among the Danish people, not least because they were reached in a way which gave neither the press nor the public at large any real opportunity to gain an insight into what was going on and to debate the issue. But the lack of enthusiasm for these decisions is due also to our special historical situation. The Danes have never wished the European Community to become a foreign policy superpower and have always been promised by successive governments that defence and security would be no concern of the Community. Then there is the fact that the latest decisions give rise to a great deal of uncertainty as to the next step in the process. The foreign ministers are now free to discuss security issues but not, it would seem, defence matters. But Lord Carrington did not want a hard-and-fast dividing line; he did not want to say what subjects the EPC was not allowed to touch on. Are we, for instance, authorized to discuss the issue of NATO nuclear missiles in Europe? They were discussed at the July summit and the Federal German and French heads of government spent two hours trying to persuade the Netherlands to allow such missiles on their territory. Lord Carrington did not want to tell us where the exact dividing line was between security and defence, which leaves us with an unsettling and in fact a profoundly undemocratic situation.

The European Community is on the point of militarizing itself in a number of ways, most of them insidious and imperceptible, like on the question of the Community's arms procurement and armaments production. But some of these ways are coming out into the open, not least the decision to send troops from four Member States of the Community to Sinai, a decision which appeared in a joint declaration signed by all ten foreign ministers. Here again, though, there is some doubt as to the true nature of the decisions taken, because neither Lord Carrington nor the Danish Foreign Minister have given us full information on the matter. Will the four countries concerned be sending separate contingents of troops, or will they form a regular European Community contingent? That is a question we have yet to receive an answer to. The joint declaration indicates that the Community as such is

Bøgh

going to provide the backing for the troupes, and if the four contingents are to be under a joint command, it means we are now really much, much closer to a Community army than we have ever been before. One thing at least is sure: the Community has such a burning ambition to make its presence felt in the Middle East — including a military ambition — that no one is really taking much notice of who we shall be appearing alongside. In fact, another source of the peacekeeping force would be Uruguay, one of the world's most barbaric military dictatorships, ushered in by the fascist coup in 1973 — a country where the rule of law is non-existent. Officers from the four Member States of the European Community would be required to share their duties with Uruguayan officers, 90% of whom have been directly involved in torturing prisoners and have been instructors at schools of torture techniques. Thus it is that a fascist state can claim legitimacy, to the great delight of the ruling regime. The Community must place an extremely high value on its foreign policy role if we are prepared to tolerate a scandal such as this, while at the same time we complain loud and long about violations of human rights in any number of countries.

The impotence in the face of political and human problems and the boundless ambition of a superpower variety which this presidency has shown can only stiffen the resistance which already exists in Denmark to membership of the European Community.

President. — I call the non-attached Members.

Mr Romualdi. — *(IT)* Mr President, President of the Council, the British term is said to have been characterized by Council participation on an unprecedented scale. This is of undeniable political relevance, especially as it has contributed enormously to improving the internal relations as regards our own work and, in practice, as regards the relationship between the Council and Parliament; as Mrs Thatcher said yesterday it has made the European Council a decisive element in the life of our Community.

Unfortunately the greater immediacy this has brought to the conduct of European politics has not helped to solve the outstanding problems and we have come to a virtual standstill on almost all fronts. The results are disappointing both as regards political cooperation, which we shall discuss on another occasion as we do not have time to do so now, and as regards the way in which the mandate of 30 May has been absolved and on which Mrs Thatcher and Lord Carrington spoke so frankly yesterday.

Being unable to find a practical solution to the problems listed in the mandate of 30 May, the Ten in London once again simply proposed that the decisions be postponed. This is the worst and most dangerous approach and exposes us to merciless criticism on the part of public opinion. We are judged to lack both the

prestige and the abilities necessary for tackling and solving the problems of inflation, recession, unemployment, restructuring, for keeping abreast of the latest technological developments involving the most modern employment and production systems and for meeting the challenge posed by Japan and the United States. On a more modest level, we are considered to be incapable of resolving such domestic problems as the milk crisis, the more general crisis in agriculture and in regional and Mediterranean policy and naturally the crisis in Community budgetary policy.

(The President asked the speaker not to exceed his speaking time)

I wanted to say a few words on Poland.

This is an incredible way of discussing the basic problems of European political life and the role of our Parliament in Europe at this moment. It is quite intolerable that, after such important declarations as those made by the President of the Council of Ministers and the President of the Commission, one is given only half a minute to summarize one's own thinking and to express one's own opinion — the right and duty of an elected representative in this Parliament.

President. — I call Mr Cariglia.

Mr Cariglia. — *(IT)* President of the Council the two London meetings prior to this session ended with agreement between the ten Member States — agreement to disagree on all of the dossiers under examination and agreement that the Commission and the Council would have to study the various problems in greater detail in order to find a joint solution in the near future.

This means that agricultural policy will continue to paralyse the Community budget, that the EMS will have to continue without such an important partner as Great Britain, and yet no steps have been taken towards the development of a common currency; it means that convergence of economic policies is becoming an ever more distant goal, whereas the Member States have taken no new initiatives to tackle the depression. This also means that social policy — despite minor adjustments achieved in the iron and steel sector — and development aid will be increasingly penalized, due to the absence of a common economic policy which could mobilize Europe's industrial potential to help it out of the pit of the recession.

The proportion of the workforce remunerated outside the productive cycle, via welfare funds and unemployment benefits, is rising in line with the number of unemployed, with a risk of uncontrolled inflation.

Naturally this negative picture cannot be attributed to the fact of British Presidency — in my opinion, Britain

Cariglia

is no less Community-minded than the other Member States — and this despite the fact that public opinion in that country is by no means very favourably inclined towards Europe.

Mr President, may I say that in this 'ten-man relay', in which every six months a government hands on the torch to another, what is lacking in my opinion is the spirit of emulation, the moral fibre, the will to succeed. This is why the friends of Europe are so disappointed — and their disappointment is all the greater because the integration process has come to a standstill both at the economic, political — institutional level. What we lack is vision, the great design which our history, geography and the international political system make it incumbent on us to realize if we are to avoid decline. We risk becoming a mere Europe of merchants, without however possessing a large integrated market.

Mrs Thatcher has told us that the Council is considering the Genscher-Colombo initiative.

Does this reflection — one of many — justify our apprehension, such as the one that foresees the possibility of overcoming, in the field of political integration, the delays which have occurred in the field of economic integration?

We cannot but hope for a positive outcome, because it is becoming increasingly evident that Europe cannot afford to lose the double challenge — economic and political — presented by the United States, the Soviet Union and Japan; and it will lose unless it is united not only in intentions but also in fact. The paradox you have alluded to — the need to take decisions and the impossibility of taking them — can only be defined in one word: impotence!

Mr President, against the backdrop of this Europe which we are so slow in building we observe today the tragedy of Poland, preceded by that of Hungary and Czechoslovakia. The Council of Ministers — as you have told us — has issued an admonition and affirmed that there should be no external interference in Polish affairs.

I find it truly difficult to believe that what is happening in Poland today has occurred solely at the instigation of the Polish army. I am sure that you will agree on the possibility of Soviet intervention if the military coup should be a failure. In this case the epilogue will be the same as in Czechoslovakia.

What can we do? We must make clear to the governments that none of the Community countries can provide financial credits to Poland as long as trade unionists and workers are imprisoned because of their political views and until civil liberties are reestablished.

It is our duty as representatives of the peoples to mobilize public opinion and without mincing our words — to express our protest and our indignation as

free men as forcefully as we can, in the knowledge that this is all we can do to assist the Poles.

The military 'coup' in Poland has rendered East-West dialogue more difficult and uncertain: this can be seen from the declarations, which are quite reserved. Thus the future is becoming increasingly insecure; but Poland, with all that it signifies for the world, will not be easily removed from the agenda of world problems.

Mr President, we have lost the hope of extending freedom towards Eastern Europe. But it is our duty, Lord Carrington, to strengthen the European bastion and to integrate it before it is too late.

President. — I call Mr Tolman.

Mr Tolman. — (NL) Mr President, your Excellency, no miracles have been performed during the last presidency, but some ambitious and well-meaning work has been done and, in some cases, some headway has been made. Nevertheless, people are constantly cataloguing problems. I should like to make a few comments regarding agriculture and fisheries.

What were our expectations and what has been achieved, Mr President? We should not, I think, take too negative a view. After all, no one has died of hunger in this Community and our children are not underfed, nor do people have to queue up every day to buy food. There is enough to be had at stable prices. We also give food aid and have even been able to help the poor Lomé countries. Thanks to the Common Agricultural Policy we have been able to enjoy these privileges even in the most recent past. This does not, however, mean that we have been successful in every respect. Quite the contrary — fisheries policy has been disappointing and no progress has been made. In other areas attempts are being made to revamp the Common Agricultural Policy. All that this involves, however, is minor adjustments, since, as I see it, the policy is basically a good one. We should not always let ourselves be talked into seeing problems where there aren't any.

I should like to make one observation in this connection. Lord Carrington and the President of the Commission have themselves mentioned the expenditure items which must be reduced in this sector and the problems of the dairy produce sector and the smaller producers have been brought up. My group takes the view that more attention should be paid to the small producers and the Mediterranean problems in next year's policy. There is no point in saying that expenditure will have to be reduced. I have pointed out the advantages, but I must draw attention to the disadvantages too. For example, Mrs Castle forgets, when speaking rather disparagingly about the COPA lobby, that the farmers are the very people whose incomes have dropped by 2% and then 9% over the last two years. How, in view of this, do people intend

Tolman

to reduce expenditure? I don't believe it will be feasible. Furthermore, we are convinced that we will always have to pay, as it were, a small insurance premium for these privileges.

President. — I call Mr Fergusson.

Mr Fergusson. — Mr President, there is a story of a husband and wife who quarrelled and separated because she could not stand his smoking. He returned to her when he had cured himself of the habit and then they got divorced because they found they had nothing left to talk about. Mr President, I know that political cooperation has made great strides of late especially, despite what Mr Haagerup was saying, during the present Presidency. But I do have a dismal feeling that this has happened and that moves have been made towards better cooperation between the European Parliament particularly and the Council of Ministers — which is one of the things we are now discussing — not because of the love of Member States for one other, or the institutions for each other, but because of external events.

The biggest catalyst, let us admit it, was Russia's invasion of Afghanistan. That woke us up to the dangers of fragmenting our defences and for a time western cohesion was apparent — chaotic as certain of the economic measures then taken turned out to be. Now we have Poland.

Now I am not anticipating tonight's debate by saying that we practically needed what is happening today there to effect the mobilization of our joint efforts at all. What a confession! Yet we already knew that the Soviet bloc was and is the one area of the world where, in case after case, against humanity and against nature itself, spring is remorselessly followed by another winter.

Now again, *pace* Mr Haagerup, this last Presidency has splendidly forwarded the capabilities of political cooperation, not least in respect of security. But this, I suggest, will fail again in time unless institutional cooperation follows. Without that the Community could fall apart again, the Member States divorce themselves from one another as their common fears disperse. We shall, as it were, have too little left to talk about.

Together we can anticipate and prevent the worst that could happen to us, not merely await the worst in order to find unity. Let, then, the Council Ministers realize that they need close understanding with the democratic base that gives it its joint strength, *de facto* it not *de jure*, and that base is here.

(Applause from the European Group)

President. — I call Mr Alavanos.

Mr Alavanos. — (GR) Madam President, we representatives of the Communist Party of Greece have nothing to add to the report on the six-month period of the British Presidency. We find the bleak statements by Lord Carrington and others sufficient: nine million unemployed, an average 11.5% inflation rate, zero growth in GNP in 1981.

We have, however, one objection: Do the governments and the ruling classes in the major Western European countries not realize the possible dramatic consequences of the acceleration and deepening of economic and political unification, when we already have a report like that? Unless the fine words about 'a common European destiny' hide cold-blooded plans to make the working class and other employees in capitalist Europe the scapegoats of a desperate attempt by certain Western European monopolies to survive the inter-imperialistic competition of economic and political confrontation — and not cooperation — with the socialist countries.

We fear that this is unfortunately the case, and we must therefore underline the problem of Greece, particularly now that matters affecting Greece have been brought up at the European Council in London by Mr Papandreou in a way different to that of the previous government.

There are, to be sure, those who maintain that Greece can undergo substantial changes within the European Communities, since the latter are engaged in more general restructuring of their policies. We agree that we are in a period of restructuring, but in what direction? Towards the complete abolition of the principle of unanimity? Towards the encouragement of military absolutism? Towards the reduction of agricultural expenditure? Towards the imposition of new compulsory common policies? We have even heard a lot of talk in this House, from representatives of the Council, of an 'understanding' of Greek problems. What kind of 'understanding' is this, however, when the Belgian Prime Minister, who will be assuming the Presidency in a few days' time, announces a campaign for the isolation of Greece? When the Council has rejected any idea of substantial support for Mediterranean agricultural produce and the application of co-responsibility is being encouraged? When, only a few days ago, the Council turned down a substantial improvement in cotton-growing infrastructure? When, again only a few days ago, the Council inflicted a severe wound on Greek air communications, with the Greek position being supported only by the French minister, Mr Fiterman? When Greece is being dragged by the London communiqué into supporting the unacceptable attitude of the United States towards armaments?

Our country must choose the path of national independence, economic development and cooperation between equals. It must not be diverted from this path either for the 'thirty pieces of silver' which the

Alavanos

EEC might now give us — but which cannot compensate for the enormous obligations imposed on our country — or for our involvement in a game with omnipotent players and marked cards.

President. — I call Mr Berkhouwer.

Mr Berkhouwer. — (NL) Mr President, the European Council, which we are discussing on the basis of the report by Mr Antoniazzi, came into being outside the Treaties and since its existence is now an established fact we too will have to try and establish a dialogue between it and ourselves by setting up a convention for which the Treaty makes no provision. That was my first point.

My second point, Mr President, is that between 1961 and 1974 summit conferences were held to deal with various knotty problems and that these conferences were not held on a regular basis. The European Council does, however, meet on a regular basis, i.e. three times a year. It has become something of a ritual, which obviously makes it very difficult to achieve results every time. The summits of former times were held with a particular result in view and more results were in fact achieved than in the case of the European Council with its regular meetings. Nor do I think that the European Council should deal with technical details as has been the case recently, but rather that it should concern itself exclusively with the broad political approaches the European Community should adopt at any given time. The European Council should indicate the general lines along which the other three institutions should work.

Thirdly, Mr President, I take the view that if the European Council is to be answerable to anyone as regards this general orientation policy it should be the European Parliament, which is the democratic representation of the people of Europe. Perhaps it would also be better to introduce a different convention whereby the Council would meet not three times per year but only twice. In this case, each country holding the Presidency would have a meeting in its capital, which would get us round the question of where the third meeting — i.e. the midsummer meeting — should be held. This arrangement would give us regular meetings too. One in spring in the first country holding the Presidency in that particular year and one in autumn in the other. This in itself might be an improvement and could possibly tend to reduce the ritualistic aspect somewhat.

Finally, Mr President, what I regard as the main point in the Antoniazzi report, i.e. a thorough debate in the European Parliament once a year between the 'presidium' of the Council and the European Parliament. I have deliberately chosen the word 'presidium' since the European Council is made up of Heads of State and Heads of Government. This is something of a

misnomer, since in the present Europe of the Ten there is always only one Head of State who takes part in the European Council because, in accordance with the constitution, he is at the same time the Head of Government. Thus, it is a little inaccurate to talk of 'Heads of State' in the plural, and this title obviously also causes problems in connection with the representation of the European Council *vis-à-vis* the European Parliament, since I do not think there is much chance of the President of the French Republic turning up here. Thus we can speak of 'presidium' since it is for that presidium to decide who is to represent it. In this way we must arrive, by establishing conventions, to a system of 'government by consent of the citizens' since, after all, this is what we want and the only possibility of establishing such a European government by consent of the citizens, Mr President, will be by establishing this convention of dialogue, i.e. a thoroughgoing general debate once each year between the European Council and the democratic representation of the people of Europe in the form of the European Parliament.

President. — I call Mr Flanagan.

Mr Flanagan. — Mr President, I should first like to commend Lord Carrington for his sincerity and sureness of touch in international affairs, and in particular for his sincere and determined efforts to try to find a solution to the problems of my too long ravaged island. It is not, of course, his fault, but the statement he made this afternoon, though wide-ranging and very interesting, offers cold comfort to the growing numbers of unemployed and to the farmers, who had faith in the Community, invested in their future and in ours and now find their efforts scorned. Article 2 of the Treaty states:

'The Community shall have as its task, by establishing a common market and progressively approximating the economic policies of Member States to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the States belonging to it.'

I ask you if you can say that these principles have been adhered to. In regard to Article 39, which asks the Community 'to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture', can we honestly report progress in the Community in relation to these basic principles? I fear not.

At a time when the Community looked to the Heads of State and Government to show leadership, particularly in an all-out assault on the unemployment crisis, they have failed to come to terms with this predicament at all. The actuality of 10 million unemployed roaming the streets of Europe is not fiction; it is fact. The consequence could be civil disorder of a kind that

Flanagan

would make Toxteth look like a Christmas party. The graph of human misery is growing, and communiqués issued after the Luxembourg and Maastricht Summits on the unemployment crisis have fallen on deaf ears. In Luxembourg the Council stated that the problem of mass unemployment should be accorded priority and should not be approached in a spirit of fatalism. The problem is that it has not been approached at all.

The Irish population is growing at seven times the Community average, and with more than 10% of our population unemployed we are deeply concerned for our future.

I am sorry, Mr President, perhaps the spirit of Christmas would allow me a couple of extra minutes.

I do want to state clearly what our problems are.

Over 60 000 of our young people this year applied for jobs in the Irish Civil Service. There were jobs for only 10% of them. 18 000 applied to our two main banks; there were only 600 jobs in total for them. That's the problem for the Community, and the Community must begin to tackle that problem. To report failure in that direction is indeed a condemnation of everybody, and I do not say Lord Carrington and the British Presidency, but everybody associated with the running of the Community. Furthermore, the fact that the farmers' position is coming under attack after attack is again a condemnation of the failure to honour the principles set out in the Treaty in the first instance.

President. — Precisely because I am in a Christmas mood I want to make sure that Members can celebrate Christmas at home.

I call Mrs Macciocchi.

Mrs Macchiocchi. — (*FR*) Mr President, Mr President-in-Office, I am grateful to the British Presidency, for they have taught us a lot. Speaking of Christmas, I would like to remind you that this western feast is celebrated both in Kabul and in Warsaw. I want to make sure that we do not forget in the brouhaha of speeches being made today that there are entire populations trying desperately to keep a place in our frail memories.

Now that I think of it, I can see that the Soviets are quite keen on public holidays for using their army. The Berlin wall was built on 13 August 1961, Czechoslovakia was on 21 August 1968, Christmas 1980 was the invasion of Afghanistan and Christmas 1981 has been a state of siege in Poland. It takes more than a little hypocrisy, if Lord Carrington will allow me to say so, for the Ten in London to talk about non-interference with regard to the situation in Poland when all they had to do was to read the signals of 10 December — as no doubt the Foreign Office did — in order to

know exactly in what terms the Soviets were instructing the Polish leaders to stifle the workers' movement.

Turning now to your speech, you said that you considered the Afghan question on several occasions and that your proposals to Mr Gromyko remained on the table: I have to say that you possess rather more hope than I do. I believe that the situation in Afghanistan is one of the most tragic elements in a situation which is beyond us and in what may be a series of deals between the United States and the Soviet Union of which we cannot comprehend the full significance.

As we told you in London — where you welcomed us most kindly — we were extremely concerned by the fact that negotiations were proceeding without the European countries having the opportunity of being heard. The uneasiness of European governments is easily felt, and it is heightened, as you know, by the fact that they have not been associated in any way with decisions taken in secret by the biggest parties. Under these circumstances the explosive situation in Poland becomes a quite dizzying prospect. Once again the Europe of Ten has been reduced to playing the role of Pontius Pilate. Permit me to tell you that the idea that the people of Poland are going to be able to sort out their own affairs sounds to me tragically like the spirit of Munich. I have spoken of Afghanistan because I believe that you have concerned yourself seriously and eagerly with the problem, but the question must be dealt with just as seriously by your successor as President of the Council. As for this Assembly, it must first of all be a tribune where the truth can be revealed; after that we — you Lord Carrington, Mr Thorn and us — we must put pressure on Member States by giving official recognition to the Afghan resistance as a majority, and thus enable their representatives no longer to appear as the shadowy, hunted figures whom we saw here in this Parliament a few weeks ago. I call on this House to declare 21 March, the Afghan national holiday, a day of support for Afghanistan amongst the ten Member States, and to do so before Christmas. That would of course be a modest and symbolic act but it would remain an act whose value far exceeded that of the frequently empty words that you have spoken.

President. — I call Mr Bournias.

Mr Bournias. — (*GR*) Mr President, yesterday's presence here of the President-in-Office and Prime Minister of Great Britain, Mrs Thatcher, was rightly welcomed by the President of our Assembly, Mrs Veil, and the chairmen of the political groups and enthusiastically applauded by most of the Members.

Her presence was the expected confirmation that our Parliament is playing, and will continue to play, an important role in the development of the Community.

Bournias

This is the reason the millions of European voters who believe in the ideal of a united Europe elected us. What Mrs Thatcher said about both international and Community affairs was marked by its realism at a time of political instability and major economic recession, but there was also a measured optimism. Only on the subject of human rights did the speech by the President-in-Office show a certain reticence, and this is something we cannot accept.

Lord Carrington, whom I should like to congratulate on the fruitful work done on many matters during his term of office, also said this evening that human rights were one of the unsolved problems, and at the beginning of the month, speaking to the Political Affairs Committee at its meeting in London, he told us that no work was being done on human rights either at the United Nations or in the Community or in other bodies. I protested at the time and pointed out that I had months before tabled a proposal on the fate of the Greek Cypriots missing since August 1974, and to my surprise had been informed that the Human Rights Commission had refused to appoint a rapporteur. Fortunately, despite the opinion of the Human Rights Commission, the Political Affairs Committee has decided to appoint a rapporteur, and I hope that this will be done as soon as possible, so that finally, after so many years, the suffering parents and relatives can obtain some information.

Before I turn to the Antoniozzi report, I feel I must congratulate the Chairman of the Communist Group, Mr Berlinguer — despite the ideological abyss which separates us — on what he said yesterday about Afghanistan and Poland, which was applauded on all sides, with the unfortunate exception of my three fellow Greeks from the Communist Party of Greece, who listened to Mr Berlinguer's speech in icy silence.

Mr Antoniozzi's report shows very clearly how important is the need for coordination and modernization of relations between the institutions which form the European Community. As he himself says, this has been recognized for years now by the leaders of the Community, and in view of events and of its enlargement this matter has become even more urgent and pressing. The fact is that it is essential for the various institutions which make up the Community to engage in institutional concertation and coordination on their activities and, in the final analysis, their responsibility towards the peoples which form the Community.

In conclusion, Mr President, I would add that the Three Wise Men, who drew up proposals for institutional changes, as well as various others such as Mr Tindemans and Mr Noel, have made one recommendation — that the Council of Ministers should pay more attention to the rights and wishes of Parliament. I believe that Mrs Thatcher's presence here was evidence of her respect for the rights of this Assembly.

President. — I call Mr Radoux.

Mr Radoux. — (*FR*) Mr President, Mr Antoniozzi's report is an attempt to straighten out the working situation in the Council which had become unacceptable to the European Parliament.

The fact is that when summit conferences became European Councils the situation changed from one of concertation to one of orientation, and the Council from being a guideline-giving to a decision-making institution.

Two examples alone will suffice. First of all, when the financial mechanisms were established in 1975, the European Parliament was not consulted after the Dublin Conference.

Second example: the Regional Fund for 1978-80. The European Council took a decision in the field of non-compulsory expenditure, that is to say where the European Parliament has the most obvious share in decision-making.

Initially the Council became the sort of final tribunal and acted as such both for the Foreign Ministers and for each of the specialist Councils. The problem was that the Heads of State and Government were as divided as their own ministers on the same problems and could do no more than return the problems whence they came. The procedure laid down by the Treaties has become all the more cumbersome with the fact that the European Council as part of its duties could and should have helped in defining Community views both on subjects within the Community's competence and on questions of political cooperation and other questions of mutual interest outside the Community's terms of reference.

Mr President, unless they are straightened out, the intergovernmental procedures by which the European Council operates will continue to contribute to our losing the battle for employment, losing the battle for increased European exports, losing the battle for industrial innovation. Only by integration can we win those battles, for strength in them comes from accumulating the means of each individual Member State of the Community.

It is logical that now that the workings of the European Council are integrated in the procedures of the Community's political institutions, the Council should be subject to the rules which govern them. That is the purpose of the amendment put forward by my Group.

What we are calling for is that each time the Council meets, the President should address this House, and that we should hold an annual debate on the state of the Community's integration and on the role of the Community in international politics. These amendments will strengthen relations between the European

Radoux

Council and this House and bring them into line with the consultation procedures which already exist in the Community and in line with the procedures for opinion when the Commission intervenes. By doing this we shall be improving the European Council's productivity, thus giving it more justification for its existence, and ourselves a little more benefit from its existence so that we can at last be glad that it does exist.

President. — I call Mr Estgen.

Mr Estgen. — (*FR*) Mr President, Mr President-in-Office, there is really no denying that the recent European Council held in London must be regarded as a failure, and a bitter one at that.

The question is indeed how we can finance new common policies and give Europe a degree of independence without rebalancing the Community budget and correcting a number of points in the common agricultural policy which have gone awry: points which are, let us be honest, the central factor in Europe's present difficulties.

All this presupposes that one side will accept the basic rules of the game and that the other will not refuse an updating by means of changes and innovation which are inevitable.

Let us not forget that this failure is merely one more diversion in the score of attempts to establish common policies on regional, social, industrial and financial affairs, to move on from the customs union to integration of economic policies and national economies.

Of course, the recent European union initiatives by Mr Genscher and Mr Colombo deserve our consideration. It is without question important that economic integration should be strengthened alongside political development. All the same, was there not an agreement at the October 1972 Summit that before the end of the 1970s — and we are now well past them — we would be converting 'in absolute conformity with the signed Treaties, all the relations between Member States into a European Union', and at the Paris Summit of December 1974 was the stress not put on the Community's institutional problems and on the determination to give priority to a European Union which is, essentially, political?

I am, of course, delighted that for the first time in history the President-in-Office of the European Council has come to address us in this Chamber. However, speeches, rhetorical exercises and demonstrations of eloquence are not what we need. What we need is a formal statement by the Council that majority voting will once again become standard practice at its meetings.

We shall also require a clear and explicit answer to the question whether the powers of this Parliament are gradually to be widened, in other words whether Parliament is to be given an increasing power to legislate. Is Parliament to be given the right to initiate and the opportunity to discuss every question arising from the construction of a European Union? Those are the questions.

As a citizen of Luxembourg I can only rejoice at the fact that two weeks ago the Parliament of my own country approved a motion inviting the governments to put proposals as quickly as possible to other Member States with a view to exploiting the existing Treaties to the maximum even before the Community is enlarged, so as to bring about the European Union proposed by the Tindemans and Werner reports.

Not only the Parliament of my country but the Government of the Grand Duchy itself have been and remain fervent supporters of increasing the powers of an institution whose legitimacy derives not from government but from universal suffrage.

We would thus do well to join with our President in her concern when she calls for improved cooperation with the Council through concrete actions and when she reminds us that it is not unreasonable for the construction of our Community to proceed without this parliamentary organ being constantly diminished.

We are faced with the problem of adapting our production capacity to meet internal and international demand in a climate of crisis and uncertainty and with the prospect of negative growth with all its consequences for employment, production and public finance. Demographic collapse is a threat and all of a sudden Europe has become aware of it: European countries are still amongst the richest on our planet and yet for more than 35 years we have been relying largely on external defence. It is far from a small challenge!

The questions which have to be answered this time are the most basic: the form and practice of democracy, reducing unemployment and inequality, more efficient economy management, reconciling growth and energy consumption. Not one of our Member States, no matter how powerful, is able to take up all of these challenges alone.

We need a courageous Council and a strong Commission with a belief in the future and a real determination to work together with this Parliament towards the gradual realization of a European Union which can truly guarantee our liberty, our independence and our economic survival in a climate of social and international peace.

President. — I call Sir John Stewart-Clark.

Sir John Stewart-Clark. — Mr President, we have appreciated the President-in-Office of the Council's clear exposition of his six-month stewardship. If anyone has had the will to achieve results in the six months of Britain's presidency, it was he. Lord Carrington has done his best, and we thank him for his efforts.

(Applause)

Yet, despite progress in certain sectors, we have virtually none in the CAP, in budgetary reform and in fishing. I would like to ask: what happens now? We must have continuity. What will happen if Belgium does not have a government? Surely there must be some machinery whereby there can be an overlap in the Council's presidency? Surely we must devise some way to improve the efficiency of the Council's own working? Would it not be possible to a much greater extent to see better communication between Council and Parliament, not only in plenary sessions but in committees? I certainly welcome the fact that many British ministers took the trouble to come to the individual committees during the term of the presidency. May I recommend that in future this should continue as much as possible? By having a detailed knowledge of the Council's problems, we in our committees can bring our expertise to bear and also bring pressure to bear on national governments back at home.

Finally, we heard the clear words that Lord Carrington had to say on Poland. Later today we shall also be having a debate on Poland. Let us hope that our clear words together will get the message through to the Poles that they must solve their problems peacefully and sensibly as soon as possible.

(Applause from the European Democratic Group)

President. — I call Mr Kirkos.

Mr Kirkos. — *(GR)* Mr President, at the London meeting Prime Minister Papandreou gave a new slant to the Greek position with particular respect to the problem of the less developed countries in Europe. The Greek Communist Party of the Interior has supported many of these positions for years, and you will understand why I wish to criticize the points made by Lord Carrington. In the very brief space of a minute I would like to express our opposition to the Council's lukewarm stand regarding Israel's annexation of the Golan Heights and — after this new manifestation of Israeli expansionism — would like to stress the need to review the Community's position regarding participation in the quadripartite Sinai peace force. I would also like to draw your attention to the fact that the Turkish military government, taking advantage also of the complete inertia of the European Community on this issue, is expanding its occupation forces in Cyprus under the pretext — as reported by

Athens yesterday — that the Greek Government was also sending men and material. And I would like to say that it is the Council's duty to take urgent steps to press Ankara to implement the unanimous resolutions of the United Nations to prevent Cyprus from becoming a new trouble-spot with all the serious consequences this would entail.

President. — I call Mr Eisma.

Mr Eisma. — *(NL)* Mr President, there was no question of us making a contribution yesterday since the President of this Parliament decided, for reasons which she explained, to allow only two contributions from the non-attached Members and ours was unfortunately not one of them.

If we had spoken yesterday we would have liked to have said how much we appreciate the British Prime Minister's visit to the European Parliament. She has succeeded where her Dutch predecessor failed and this constitutes a strengthening of Parliament's position. However, our appreciation of her appearance here in Parliament stops short at this point since many points in Mrs Thatcher's statement reflected the fact that too many problems remained unsolved during the British Presidency. The keynote for a European Council Presidency, contrary to what Lord Carrington stated earlier in this debate, should not be to contribute to a continuation of the Community's affairs but rather to make vital steps forward and steps of this kind have been too much lacking. We should like to make a general assessment of the intentions declared by Lord Carrington in July in the light of the results six months later.

We have not seen any signs of renewal following the initiatives by Mr Genscher and Mr Colombo, which were favourably received by this Parliament in November. The proposed European Act has merely been put off until the January Council. There has been no decision to introduce majority decisions to replace the principle of unanimity in the Council's decision-making. The results of the Environment Council of 3 December would appear to be the only positive feature of the last six months.

As regards enlargement, the statement by the Council President would appear over-optimistic since it makes no mention of the fact that France's views on the accession of Spain and Portugal are not in line with those of the rest of the Ten.

As regards identity, we would appear no longer to be unanimous regarding the Middle East problems. Here too, the President of the Council has glossed over the fact that France is not in line with the rest of the Ten. We should like to know whether the Venice Agreements still reflect the unanimous position of the Council.

Eisma

There has been nothing to report on the Afghanistan front since July, apart from what I said at that time, i.e. that this exercise does not represent any real solution to the Russian intervention in that country. The President himself explained in realistic terms as the dark side of the picture that it did not prove possible during his Presidency to make any real headway with the mandate problem. As regards these problems, we have seen nothing of the convening of the Council of Health Ministers which I pressed for in July during your Presidency. Nothing has been done in this area of policy since 1978. You have not made a single move with a view to having the European Commission draw up an action programme for public health and to provide the Council of Health Ministers, which might be held during the Belgian Presidency, with a substantial agenda. We should be pleased to hear more of your views on the various European public health issues.

Mr President, perhaps I too may benefit from the spirit of Christmas and be permitted to make one final brief point in the form of a question to Lord Carrington. I should be pleased if he would tell us what exactly he understands by 'convergence'. Do you take this to mean transfer of funds — as if the richer countries of the Community were to give the less well-off countries a sort of blank cheque — or do you take it to mean developing a policy to deal with various problems, such as regional, social and employment problems, with a view to reducing existing disparities? It must be one or the other, and in our view the option of introducing new policies is preferable. I hope, Mr President, that Lord Carrington will not object to the fact that I am putting this question to him in two capacities, i.e. as President of the Council of Ministers and as British Foreign Minister, and I hope, Mr President, that I have made my question to the President of the Council clear enough for him to be able to give a clear and substantial answer.

President. — I call Mr Petersen.

Mr Petersen. — (DA) Mr President, there is a spectre abroad in Europe. I am referring not to the spectre of unemployment, which is a tragic reality that this House is doing far too little about. No, what I am talking about is the spectre of political union, which you might be forgiven for thinking had been buried when the Luxembourg compromise came into being. However, that is not the case. It is in fact rearing its ugly head in season and out of season, demanding the abolition of, or at least a restriction on, the right of veto, as in the Genscher-Colombo plan, and here again in the Antoniozzi report with its plea that the European Council's activities be forced into the institutional framework of the Treaty of Rome. Like all spectres, the spectre of political union is not made of flesh and blood — it is a mere figment of the imagination which thrives best among crocodiles far from any

contact with the real world. The reality of the situation, ladies and gentlemen, is that we have — and as far as I can see, will continue to have — a Europe of nation States, a Europe of cooperating nations, and not a super-governmental federal union. We Danish Social Democrats are therefore opposed to any attempt to turn the clock back to the time before the Luxembourg compromise. For the same reason, we oppose this House's ill-advised tendency to prefer models to realities and to give the Treaty of Rome precedence over established practice. The European Council, like the EPC, does not fall within the framework of the Treaty of Rome, and that is how it should stay. The European Council is and must remain a form of inter-governmental cooperation, and for that reason we are firmly opposed to the Antoniozzi report.

President. — I call Mr De Pasquale.

Mr De Pasquale. — (IT) Mr President, valuable though Mr Antoniozzi's resolution may be, we are not happy with it because it does not tackle the real problems connected with the European Council, it does not denounce the distortions which have arisen in the functioning of the Community institutions and it does not clearly indicate the role which this body should have.

Therefore we have tabled a number of amendments with a view to attenuating these shortcomings and to make the resolution as incisive as possible. If these amendments are accepted by the Assembly we will vote in favour.

President. — I call the Council.

Lord Carrington, President-in-Office of the Council. — Mr President, I hope you will forgive me for having to leave, but I have an engagement in London which was arranged a very long time ago and which I cannot miss. I am very grateful to you for giving me the opportunity just to say a very short sentence or two. I made a very long speech at the beginning and I have no intention of making a long one now. I would like to thank those who have given bouquets to the British Presidency and understand those who have thrown brickbats. The bouquets were deserved, but I am more subjective about the brickbats.

(Laughter)

I can well understand the criticisms and disappointments of some of those who wished the millennium to arrive during the British Presidency. I wish it had.

(Laughter)

Carrington

There was, however, one criticism which I did not find all that convincing, because it came from a lady who represents a party which actually wants to take Britain out of the Community.

(Laughter)

A number of speakers talked about political cooperation, and there was a suggestion that the Council of Ministers was trying to use political cooperation as a substitute for progress on the completion of the internal market and success in regard to the economic aspects of the Community. If that were the case, it would be both wrong and disgraceful. I think, however, that political cooperation is in itself very valuable, and I believe that over these last two or three years it has been one of the success stories of the Community and has added to the influence of Europe and of the Western world in general throughout the world. I believe it is a mistake, if I may say so, to suggest that there has been enormous failure because the problems of the Middle East or Afghanistan, or wherever it might be, have not been solved. Of course we are disappointed, but I do not believe that there are instant solutions to these problems. If the problems were as easy as that, they would not be difficult to solve, and it would not have been left to the last six months to solve them. What I think we have done in many of these areas is to push things forward in a way which will become increasingly useful in the years that lie ahead or in the months that lie ahead. Certainly I believe that the principles enshrined in the Venice Declaration are becoming more and more accepted throughout the world.

Of course, there have been disappointments in other fields, but I think one or two honourable Members are a little too gloomy. I think we have moved the 30 May mandate on, perhaps not as far as we should, but we have certainly moved it on. If the British Presidency has been at fault, I am sorry. I would only say that perhaps the lack of agreement among the other nine countries had something to do with the inability of the presidency to get agreement.

(Laughter)

I only hope that my Belgian colleague, who is well known to all of us, will find that all the Ten are in agreement during his six months, though I am inclined to think he may find it a little more difficult than that.

I would just make one observation, if I might, about what Mr Berkhouwer said. I thought he made a very interesting point about the European Council. You will remember that the European Council was, in effect, invented by President Giscard d'Estaing, and it was invented for the purpose of allowing the Heads of State and Government to look in a reflective way, away from the cares of their own governments, at the future of the Community and what was to happen. Actually what has happened since that time is that the

European Council is in danger of being turned into a sort of supreme court, which decides everything in the Community. I think we have to look very carefully at that. We have to ask ourselves whether the European Council is being used in the right way. Some of the detail which the Heads of Governments were asked to discuss at the last European Council was really something which no Head of Government should be asked to do and, in my judgment, no foreign minister either, but I suppose foreign ministers have to do that.

(Laughter)

In any event, I think that is something which is well worth examining in the future. If I may just have one final word, we have tried in our presidency to do as much as we can to collaborate with the European Parliament.

(Applause)

Perhaps we have not always succeeded, but I can tell you that 17 ministers in my government have been here in Strasbourg collaborating with all of you. And 17 is quite a large number of ministers.

(Applause)

We have done so because we think the European Parliament is important, and because we think we have to work together. I assure you that that is a genuine expression of the wish of the British Government. Certainly I have greatly enjoyed the two political colloquies that I have had. I am not sure I enjoyed the Question Time quite so much on the first occasion I came here . . .

(Laughter)

. . . but I have certainly made, I hope, a good many friends amongst the Members of this Parliament. Perhaps I will end by saying one thing which I hope will be uncontroversial, either to a Greek Communist or to a right-wing someone or other, that I wish you a very happy Christmas and New Year.

(Applause)

President. — Lord Carrington, I should like to thank you for your constant willingness to cooperate with Parliament. In particular, the Enlarged Bureau very much appreciated your and your colleagues' readiness to discuss institutional matters with us. This was an innovation to which we attached great weight.

IN THE CHAIR: MR DANKERT

Vice-President

6. *Votes*^{1, 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 *Poniatowski motion for a resolution (Doc. 1-866/81): North-South Dialogue.*

(Parliament adopted the resolution)

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* *

President. — We shall now consider the *motion for a resolution contained in the Beazley report (Doc. 1-689/81): Tenth Commission Report on Competition Policy.*

(...)

After the first indent of the preamble — Amendment No 1

Mr Beazley, rapporteur. — In favour. It was unanimously voted by the Committee and it ties up with Amendment No 2, which was also unanimously voted.

(...)

After paragraph 6 — Amendment No 6

Mr Beazley, rapporteur. — Mr President, I am sure the Committee would have been in favour. It was not discussed in committee, but I would add that Commissioner Andriessen this morning indicated that the Belgian situation has now been satisfactorily resolved. I think we should vote for.

(...)

Paragraph 8 — Amendment No 4

Mr Beazley, rapporteur. — This was not discussed by the Committee. I suggest a free vote.

(...)

After paragraph 14 — Amendment No 13

Mr Beazley, rapporteur. — I am against this amendment. A similar amendment was put before the Committee and was defeated.

(...)

Paragraph 27 — Amendment No 10

Mr Beazley, rapporteur. — In favour. This just updates the text with what has happened subsequent to writing the report.¹

(...)

(Parliament adopted the resolution)

7. Statement by the European Council and the Commission on the European Council — Statement by the Council on political cooperation and the British Presidency — Role of the European Parliament in its relations with the European Council (continuation)

President. — The next item is the continuation of the joint debate on the statements by the Council and the Commission.

I call Mr Kallias.

Mr Kallias. — (GR) The presence of the President of the European Council, Mrs Thatcher, during yesterday's sitting was an important event, because it was the first time a President of the European Council had come to report to Parliament. There were many positive features in her speech, but I unfortunately do not have time to go into them all.

One of the most important points was the emphasis she placed on her belief in democracy and in the rule of parliament, as well as her statement that the United Kingdom shared the European Parliament's wish that everything should be done to promote the objectives of the European Economic Community.

However, Mr President, I would like to express some reservations over what she said about the common agricultural policy, as well as my disappointment that the European Council was unable to solve the problem of Mediterranean produce.

Yesterday's debate was at any rate one of high quality to which all the chairmen of the political groups who spoke contributed something. Mr Glinne expressed the wish that the European Economic Community should

¹ *Urgent and topical debate: see Minutes.*

² The report of proceedings includes only those stages of the vote which gave rise to speeches. For a detailed account of the voting, see Minutes.

¹ The rapporteur was also in favour of Amendments Nos 5, 7, 8, 9, 11 and 12.

Kallias

be a Europe of the workers, and although we are not Socialists we agree whole-heartedly with him on this point.

Mr Kļepsch also considered that the appearance of the President of the European Council in this House would become a tradition and stressed the institutional importance of her presence.

I should particularly like to single out the statement by Mr Berlinguer, who said that violence must be repudiated wherever it occurs in the world, whether it is in Afghanistan, Poland, Turkey, the Golan Heights or elsewhere. To this list, Mr President, I would add the case of long-suffering Cyprus, which was invaded seven years ago by a Turkish army which is still occupying 40% of the island and committing acts of violence.

Although it is not provided for in the Treaties, the European Council is an important instrument because it consists of the leaders of the majorities in the various countries. Despite the disappointment at the outcome of the latest meeting in London on 26 and 27 November, I must say that, if we are to have any hope of achieving the objective of the European Economic Community — which is the creation of a politically united Europe — the initiative can come only from the European Council comprising the Heads of State and Government. It will therefore be up to it to take the initial decision, to announce a referendum or elections to a constituent assembly, after which it will be the turn of inspired politicians and constitutional experts to try to create the framework for a politically united Europe.

The summit conference in London did not produce solutions to the major problems. Not even the Ministers of Foreign Affairs managed to do that. However, I believe that solutions must be found, and that they will be found if those responsible are inspired by the ideal of European solidarity and are intent upon making the noble spirit of a united Europe a fact. The failure to reach agreement at present, and to achieve political unity in the future, will not only disappoint the peoples of Europe but will also ruin the only possibility of Europe's independent existence in the world.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Mr President, my reasons for asking to speak at such a late hour were twofold. Firstly, I should like to thank the rapporteur, Mr Antoniozzi, on behalf of the Commission for his very well thought out and balanced report in which he deals with what, in the long term, will probably prove to be the most difficult problem in the development of the Treaties of the Community, i.e. the democratic basis of the European Council, for which the Treaty of Rome makes no provision.

The Commission goes along entirely with Mr Antoniozzi's report, particularly since when presenting his report, Mr Antoniozzi drew attention to the long road still ahead of us. As the Commission sees it, the rapporteur and the Chairman of the Legal Affairs Committee are not at odds with each other but rather show a common concern for future developments.

The Commission also hopes that the European Council will, off its own bat, take steps to see that it acquires an appropriate place in the constitutional structure, and it regards the report and the speech of the President of the Council as a promising initial step in this direction. It hopes this visit will set a precedent for regular visits in the future.

I am particularly grateful to Mr Hopper for drawing attention to the ostensibly technical question of the implications of technical standards and conditions of approval for third countries. This problem indeed goes beyond the purely technical. It is a question of establishing a Community identity in a new area of protective measures and deciding what policy the Community should adopt on these matters. Clearly, this is a very difficult, but not insurmountable, problem and for this reason the Commission would like to take the opportunity afforded by this debate of asking the representatives of the Heads of State and Government to play their part in eliminating the main obstacle standing in the way of a reasonable solution and to give the specialized department instructions as to how and when these problems might finally be settled. As we have learned from the last two or three years, without instructions of this kind, it will never be possible to arrive at a satisfactory solution.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

8. *UN conference on the least-developed countries*
(continuation)

President. — The next item is the continuation of the debate on the Cohen report (Doc. 1-823/81).¹

I call the European Democratic Group.

Mr Christopher Jackson. — If I may, to save speaking twice within the space of a few minutes, I will commence by expressing my Group's support for Mr Enright's report, the next item on the agenda, on guidelines for assistance for non-associated countries, and thank him for his work.

¹ See debates of 16 December 1981.

Jackson

I would, of course, also like to thank Mr Cohen for his report on the UN Conference on Least-Developed Countries. I was one of our delegation to the Conference, and I must say it was extremely useful to be there. But as Mr Cohen pointed out, we did encounter certain difficulties. He refers to them in paragraph 12 of his report, which makes some critical comments about the treatment and functioning of the European Parliament delegation. I entirely agree with the sentiments he expressed and I am quite sure that the President of Parliament and the Bureau should consider this seriously. However, I must say that I believe that this paragraph should be excised from the report as being irrelevant to the subject even though it is important internally to this Parliament.

I was very struck by the constructive atmosphere at the UN Conference and I want to emphasize, how much the success of the conference depended on the quality of the preparation which preceded it. For the first time ever, I believe, in such an international conference many of the least-developed countries had put together beforehand ten-year development programmes which they discussed, both individually and in regional groupings, with the main donor countries at pre-meetings. Now the task of preparing such a set of integrated measures and thinking them through, discussing them with the donor countries, proved immensely valuable and I hope it has set a pattern which will be repeated.

Furthermore, and I would like to address this comment particularly to the Commission. I hope we will follow this principle in the Community and ensure that the ten member countries which — and I say this to my colleagues — have 11 development policies between them, one for each Member country and yet another one for the Community, will at least make efforts to coordinate their total approach increasingly closely. Now I know that there are national and commercial pressures which go against this, but we really must do better in terms of coordination of our development policies.

For anyone who regarded the less-developed countries as a homogenous group, a single group of the poorest people in the world, I hope the United Nations Conference completely dispelled that idea. There are probably four groups: the oil exporters, some of whom are actually wealthier per capita than we are in Europe; the middle-income countries now well on the road to development; the newly industrialized countries enjoying very fast growth, but finally, the least-developed countries at the bottom of the heap in every respect. It is true that the least-developed countries have made some progress, but since 1950 their per capita income has only advanced 50% and remains pitifully poor by any standards.

The challenge, and here I very much agree with Mr Cohen's remarks — I think it was yesterday — is primarily a moral one, the challenge to help those in

absolute poverty who are not even a part of the economic system of the world. It is a challenge to which the Community, Parliament, the Commission and the Council have all declared their firm intention to respond.

Mr President, may I just say this in conclusion: we must make our priorities absolutely clear. We must concentrate our funds on the poorest non-associated countries and create a more specific programme concentrating on rural development. It is the belief of my Group that rural development in particular is the key to combating hunger and starting viable economic growth in the poorest countries of all.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) The Commission welcomes the special interest the European Parliament is showing — and has always shown — in the problems of the least-developed countries. As the motion for a resolution says, the Commission stresses the importance of a global and coherent policy on the part of the Community. In particular, the Commission shares the view that, in this respect, all existing and any future measures taken by the Community and its Member States in the interests of the least-developed countries must be properly coordinated, and we shall therefore make every effort to contribute fully to this process.

Perhaps the Commission should also stress that the motion for a resolution does not give full credit to one important aspect of the Paris programme, namely the point about encouraging the developing countries to themselves initiate the necessary reforms of their internal structures and policies, so as to prepare the ground for us to utilize the international support measures as fully as possible. To some extent at least, the success of all measures designed to help the least-developed countries is likely to depend on this aspect of the programme being carried out.

The Commission has already taken the first steps as regards the follow-up phase to this programme. Let me draw your attention first of all to our plan of action for fighting world hunger, which we have forwarded to the Council and to this House; secondly, the Commission is currently investigating the possibilities for extending the Stabex agreement, reached within the context of the Lomé Convention, to all the least-developed countries — that is to say, to those countries which are not covered by the Lomé Convention. The Commission is also engaged in an in-depth study of the entire programme with a view to identifying and adopting possible starting points for the implementation of the programme.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

9. *Financial and technical cooperation with the non-associated developing countries*

President. — The next item is the report (Doc. 1-819/81), drawn up by Mr Enright on behalf of the Committee on Development and Cooperation, on

proposal from the Commission to the Council on the general guidelines for the 1982 programme of financial and technical cooperation with the non-associated developing countries (Doc. 1-818/81) and on Community financial and technical aid to non-associated developing countries.

I call the rapporteur.

Mr Enright, rapporteur. — Mr President, first of all I can promise you that I shall be brief, because I am highly conscious of the long agenda that you have to get through and of the time of evening it already is.

There are, however, a few things that I would like to highlight in the report. As regards the historical background, I would recommend that people actually read it, for then I don't have to say anything about it. There is, however, one historical point I would like to emphasize: we sometimes talk about the lack of power in this Parliament, but our policy towards the non-associated countries arose directly from a parliamentary resolution, and it is the continuing determination of the Committee on Development and Cooperation to make sure that it does not just remain an embryonic policy but that it grows.

We need to give the lie to the oft-repeated statement that all that Europe is concerned with is the magic circle of Lomé. This is totally untrue, and Commission, Council and Parliament are determined to ensure that we move out to the other parts of the world which are suffering from starvation.

I would point out, since it seems to be little known, that India receives more aid from the Community than any single country in the African, Caribbean and Pacific. That is *en passant*.

What we have tried to do in this report is to link up with Paris and with Cancún and above all to bear in mind the guidelines that were set us by the Ferrero report on hunger in the world. Hence we are suggesting that the concentration should indeed be on the poorest countries, that it should become part of Community policy to reach the 0.15% of gross domestic product which is required as a result of the Paris Conference. We are, therefore, demanding of the Council — and I am sure that the Commission will back us — a substantial increase in real terms for the budget for the non-associated countries. We are also demanding a better evaluation of the programmes and projects that we undertake.

You may think that I have been rather harsh on the Commission in some of the comments contained in the resolution. Perhaps I have indeed been harsher than I should have been; but I think it does the Commission no harm to be firmly reminded of its duties in fulfilling what we in the Committee desire.

We criticize very strongly the decision-making procedure. This is a total absurdity and runs quite contrary to the whole philosophy of Community aid. The way the Council has insisted upon keeping within its purview decisions on each and every project means that inevitably there is going to be some politicization of aid. It is the Council's task to set the guidelines and provide the money and then to let the Commission do its proper job, which is to go out and perform according to the guidelines set down. We have a multiplicity of ways of discovering whether in fact the Commission is sticking to those guidelines. We have the Court of Auditors; we have the scrutiny of this Parliament. I would suggest that the Council ought to be entirely satisfied with that and should not be delaying, as it currently is, projects in the pipeline.

It is true that we need a better control system, particularly in the case of the non-associated countries, because we clearly do not have delegates in every country with which we deal. We have to find imaginative ways of giving those countries the technical assistance they require: this assistance, we suggest, should be geared, as Mr Jackson has already said, to rural development, which plays such a crucial role, as we have already said in the Ferrero report.

We would particularly like to see an increasing concentration on programmes rather than on individual projects. This is not to say that small projects should be squeezed out, but merely that they should be programmed specifically and those programmes should be clear and unequivocal.

We have said a few words about co-financing. It really is quite ludicrous — Mr Jackson mentioned 11 development policies — the small amount of

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co-financing that is going on with Member States; and that again makes it very clear that bilateral aid which is essentially political and not concerned with development aid should be done at the Community level instead of at the national level.

We have also suggested that the poorest countries should have free access to the Community for their goods. I do not know whether that will receive kind consideration in view of the attitude that has been taken up on the Multifibre Arrangement, which I, for one, consider to be quite disgraceful. For that I blame not the Commission but the Council for the way in which it has behaved and the guidelines that it gave to the Commission for negotiating the Multifibre Arrangement.

Finally, and unusually for one who regularly attacks Brussels bureaucracy, we make a plea for more staff for the appropriate department of DG VIII. It is quite ludicrous that we should have only two or three officials looking after the needs of the vast bulk of the starving. It means that they cannot in many ways pursue a proper policy because they simply do not have time. But I would like to pay tribute to them for the manful way in which they work very long hours, and also for the assistance that they gave me in compiling this report. They were totally and completely open, and that is why I was able to criticize them.

President. — I call the Socialist Group.

Mr Lezzi. — *(IT)* Mr President, we in the Socialist Group endorse the report submitted by Mr Enright and we would like to express our great appreciation of the way in which the report has been drawn up; it represents a precious contribution by this Parliament to the definition of an overall development policy which will broaden the Community's responsibilities beyond relations with the ACP States towards Asia and Latin America.

As Mr Enright has already mentioned, this policy is directed in particular towards the poorest countries, and therefore is completely in keeping with the spirit of the Paris Conference of least-developed countries, and points the way towards global negotiations.

This policy must be given more substance, as Mr Cohen told us yesterday, both with exceptional supplementary measures under the Lomé Convention in favour of the least-developed countries and by improving and increasing financial and technical aid, particularly in favour of non-associated developing countries.

It is already known that Africa receives a very small percentage share of what is divided between continents and because of this we are convinced that aid to

Africa must be increased during the course of this decade. This is not only because of the fact that 20 of the 30 least-developed countries are situated in Africa, but also because most of the African continent is extremely poor and prospects of growth over the medium term are very limited. The financial and technical cooperation programme can be a useful means of achieving the objective of 0.15% of GDP: we must reach that target as quickly as possible bearing in mind that as things are going at the moment the poorest countries are still becoming poorer.

Later the Community must turn to the question of increasing aid and assistance in a way which corresponds more to the needs of non-associated countries, by supporting reform programmes drawn up independently in those countries in the knowledge that it is they themselves who must work for their own development and bring about profound changes in their socio-economic structure.

Mr Enright's report remains faithful to the guidelines drawn up by this Parliament over the last few years in insisting on a close relationship between food aid and rural and agricultural development projects, in calling for integrated rural development and technical assistance so that programmes and projects can be drawn up aimed in the first place at securing food supplies.

Moving on rapidly to my conclusion and passing over points which Mr Enright has already himself mentioned, I would like to stress the mention made in his speech of regional cooperation and to draw the Commission's attention to the urgent need to establish relations with the principal countries which took part in the Conference on Development and Cooperation on Transport and Communications held in Maputo in November last year, and also that Angola and Mozambique, which are waiting for a decision — which we hope will be favourable — on their accession to the Lomé Convention, may as non-associated countries benefit from financial and technical aid.

It is my duty to endorse the criticisms expressed by Mr Enright regarding the decision-making procedure laid down by the Council Regulation, which diminishes the powers of both the Commission and of this House, and I express the hope that this will not be repeated in the case of the management of food aid, for which consultations are now imminent.

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

Mrs Cassanmagnano Cerretti. — *(IT)* Mr President, I should first of all like to thank Mr Enright for his impressive report, and particularly for the extent to which the report deepens our understanding of the problem. On behalf of the European People's Party I would like to express our admiration for the report and, above all, our unqualified support for it.

Cassanmagnano Cerretti

The very first paragraph sets the problem out realistically, and recognizes the need for the EEC to turn towards a global development strategy. We are in complete agreement with, and naturally support, the view that agreements with the ACP States must be borne in mind during this process. The ACP-EEC agreements are by their very nature ongoing and have encouraged closer contacts between us. The accession of new members to the Lomé Convention must be encouraged, and in our view the recent example of Zimbabwe is evidence of just that dynamism. We must at the same time recognize, nevertheless, that the European Parliament was right when a few years ago it started its own initiative in determining a programme of financial and technical aid to non-associated developing countries. Mr Enright, in his report, quite rightly makes the point that a great many of the least-developed countries are still outside the Lomé Convention. It is still the Community's duty to help them.

Paragraph 8 of the motion for resolution calls for a substantial increase in real terms in the budget for non-associated countries. We support this initiative. We should also mention another item which is an indication of our determination, and that is achieving the target of 0.15% of GNP proposed at the recent Paris conference of the least-developed countries. There has been a great deal of discussion in reaching this conclusion today, and I think that I too should stress this point.

One of the most disturbing aspects of the present situation is that, for the least-developed countries, the problem is continuing to worsen. One factor amongst many is that of energy costs: without a more substantial effort by the industrialized countries, the populations of countries such as these will never be able to attain an acceptable standard of living. For the question of hunger is closely linked to that of development, and we must therefore tackle this question from a suitably worldwide approach and with a maximum of humanity.

Mr President, ladies and gentlemen, to the global approach which has been mentioned during the last week we would add that the conditions under which aid programmes are carried out are critical, and we support the rapporteur when he calls for a decision-making process in the multiannual budget which respects the competence of the Commission, and also for an increase in the number of permanent representatives in the countries concerned.

A multiannual budget means that there can be continuity not only in the conception of projects but in the way programmes are carried out. We are delighted that this principle has now been accepted by the Council for the first time; this leads us to believe that we have now progressed to the stage of such plans being carried out.

As regards the decision-making procedure which has been provided in the Council regulation, we agree with the rapporteur. The regulation takes no account of authority within the Community, particularly that of the Commission. It is unfortunate that only one Member State supported the view of the Parliament and the Commission, and that is because we are still faced with a conflict between what is being said and what is actually being done. The rapporteur is absolutely right when he expresses his doubts about the future intentions of the Council. We join with him in drawing attention to the limited number of Commission officials in non-associated countries; in our view the number of staff in these countries must be increased, as indeed must be the staff of the Directorate-General at the Commission.

The Group of the European People's Party supports and endorses the reminder in the report that rural development and the natural environment are at the heart of any real development. We are delighted that attention has been paid to the question of cultural development, of which the rapporteur offers the prospect in this report. I should like to add a footnote to this: it is essential that our aid arrives properly and in its totality amongst the peoples concerned.

It is our conviction that Non-Governmental Organizations have a role of ever increasing importance in this context. Organizations such as these have real knowledge, acquired locally, of the people and of their true condition, and they work from the principle that the wishes of those people should be respected and put into practice with our aid on the basis of clear decisions. Staff of Non-Governmental Organizations are of great value and form a direct link between the people of Europe and the people of developing countries.

We are in entire agreement with the rapporteur when he talks of monitoring and evaluating the aid granted. Moreover, ladies and gentlemen, Mr President, such efforts by the Community represent a direct benefit to the administrations of the countries concerned.

To conclude, we support the report and thank the rapporteur for his efforts, and we call on the Council and the Commission to give their approval to the proposals contained in the report.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) The Commission is pleased that a report of this quality has been produced on what is still a relatively young — albeit an increasingly important — element of its policy of cooperation with the developing countries. Our aim is to make it generally obvious that the Commission is determined to meet its obligations *vis-à-vis* the entire Third World, and not only the ACP and Mediterranean countries. This fact has

Narjes

always been known to the European Parliament, and I should like to take this opportunity of thanking Parliament once again, because it was thanks to your decision taken in 1976 that money was first made available for this purpose.

The Commission would also like to express its great appreciation of the fact that the resolution adopted by Parliament has been of great assistance in the struggle with the Council to bring about an improvement and — if you like — greater efficiency in the decision-making process.

However, point 3 of the motion for a resolution is a bit of a surprise. The Commission is not entirely clear as to what is meant by it. If what it means to say is that the effectiveness of genuine programming of this aid is inhibited by the sparse financial and human resources available and uncertainty as to the amount of money available each year, we can only give this our full support. If, on the other hand, what it means is that the Commission has failed to meet its obligation to concentrate the application of aid, I should like to point out that this does not accord with our practice and certainly not with our intentions.

Within the constraints placed on us by the resources available, the Commission has always acted on these criteria, and will continue to do so. Most of the aid has gone to improve agricultural development and alleviate the sufferings of the people in the poorest countries. As regards the money made available within the guidelines to countries with moderate incomes — that is to say the ASEAN countries or the Latin American countries — agricultural development projects were again given priority.

I hope that, by making this point, I can remove any misunderstandings, and I should like to take this opportunity of thanking the rapporteur once again for the excellent job he has done.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

10. Areas under vines

President. — The next item is the report (Doc. 1-688/81), drawn up by Mr Dalsass on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-588/81) for a regulation amending Regulation (EEC) No 357/79 on statistical surveys of areas under vines.

The motion for a resolution will be put to the vote at the next voting time.

11. Laying hens kept in battery cages

President. — The next item is the report (Doc. 1-831/81), drawn up by Mr Tolman on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-452/81) for a directive laying down minimum standards for the protection of laying hens kept in battery cages.

I call the rapporteur.

Mr Tolman, rapporteur. — (NL) Mr President, I have tried in my report to adopt a balanced approach bearing in mind both the welfare of the animals and the interests of the producers. I have aimed to strike a balance because I take the view that the achievement of optimum conditions for the hens can also yield optimum results for the producers. The time for the amateurish approach in this sector is now past; what we have now is a purely businesslike approach. What we are witnessing now is a phase of enormous industrial development. Over a period of five years, 700 000 holdings have disappeared in the European Community and, to quote another figure, 80% of all laying hens in the European Community are now kept in battery cages — and this figure rises to more than 90% in the northern countries of the Community, i.e. the United Kingdom, the Federal Republic of Germany and the Benelux countries. This phase of industrialization has had an effect on the investment behaviour of producers, but the benefits of this development have been felt almost exclusively by the consumer, particularly in the form of stable prices.

Mr President, it was with some reservations that I set about my job as rapporteur, because I was of the opinion that insufficient research had been done to enable a definite conclusion to be reached. I felt that either animal welfare research had got underway too late or that the first steps had been taken too quickly to enable me to draw up a report on the situation. As it turns out, though, we do already know enough to take a first step. My report differs to some extent from the Commission's, which proposed a minimum cage area per bird of 500 cm². My observations have led me to the conclusion that the minimum cage area should be 450 cm². However, that is no more than a minor difference, mainly brought about by the fact that the Commission was basing its calculations on the heavier breeds. What, Mr President, does this figure of 450 cm² boil down to?

What it means is a 25 to 40% enlargement. That is a definite improvement and represents, I feel, something like the optimum economic size. In dealing with this problem, we must realize that we are not an island. In the United States, cage areas vary from 310 to 338 cm², and we must bear in mind developments in third countries. It is easy enough to propose bigger

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cages in Europe and then to say that all we have to do about the competition problem is to restrict imports from the countries which do not conform to the European standards. As far as I am concerned, that is neither feasible, nor would it be possible to carry out watertight checks.

Mr President, in drawing up this report, I paid a great deal of attention to the views of associations and action groups for the protection of animals. I asked them what, generally speaking, they were out to achieve. After all, in matters like these, it is important to keep your ear close to the ground. I asked them whether or not they wanted a return to the 'way things used to be'.

The prevailing climate was perfectly clear — the associations concerned were certainly looking for alternative systems, but they were not seeking a return to the 'way things used to be'. If you want to go back to the old ways — and I heard someone say that that is what they want, and I myself would welcome a move in that direction — there must be adequate guarantees that eggs sold as free-range eggs are what they claim to be. And that is not the end of the matter. In discussing the cage area per bird, we must not forget the price issue. I think the best I can do here is to quote you the passage from the Commission's report which says — and here you have something definite to go on as regards the financial consequences — that, given a minimum cage area of 600 cm², the direct consequence as far as the consumer is concerned would be a price rise totaling some 240 million EUA. What is more, the adoption of this figure as a minimum cage area per bird would mean an additional investment requirement of 885 million EUA — in other words, total financial consequences as far as the Netherlands are concerned of some HFL 3 000 million. Quite a tidy sum, I think you will agree! In drafting my proposals, I felt that these consequences for the consumer should be born in mind, given that living costs are already so high in Europe.

President. — I call the Committee on the Environment, Public Health and Consumer Protection.

Mrs Seibel-Emmerling, draftsman of an opinion. — (DE) Mr President, ladies and gentlemen, the Committee on the Environment, Public Health and Consumer Protection appointed me draftsman on 20 October and, at its meeting on 26 November, adopted my opinion unanimously, in a slightly amended form. The committee also authorized me to table the amendments it felt to be necessary, which I hereby do. Unfortunately — I know not when or how — an error has crept into the German version of one of the amendments, and I should like this point entered in the record. Amendment No 1, tabled by me

on behalf of the committee and reproduced in the committee's opinion, should read: 'At least 600 cm² (900 cm² for larger breeds) of cage area which may be used without restriction shall be provided for each laying hen'. I would ask the Bureau to draw the House's attention to the correct version of the text when it comes to the vote, or to give me the opportunity of reading out the corrected version.

Having dealt with that, I should now like to move on to present the committee's opinion. European public opinion is increasingly perturbed about the way in which the essentials of animal protection are being ignored in the interests of economic production, despite the fact that the European Community is a signatory to the 1976 convention. For that reason, the committee paid very serious attention to the conditions in which laying hens are kept in battery cages, which very often amount to these animals being exposed to appalling cruelty. As a result of my own observations and with the backing of a large number of expert appraisals, I came to the opinion — which the committee shared — that the Commission's proposal of a minimum cage area of 500 cm² for a fully-grown hen was inadequate. I hope, ladies and gentlemen, that despite the conditions we sometimes have to put up with, you still have enough of a *rapport* with nature to imagine what a hen looks like and to realize that it cannot possibly be squashed into such a small area.

When we came to discuss this matter in the committee, we were unaware of the motion for a resolution drawn up by the rapporteur on behalf of the Committee on Agriculture. It now turns out that he is in favour of 450 cm², which means that he even wants to lop off a bit from the Commission's own proposal. The cage area he is proposing is absolutely intolerable, and allow me to say in a purely personal capacity that I would greatly prefer to see no guideline at all than to have one which seeks to enshrine cruelty to animals in Community law in the name of the European Parliament. Realizing that a compromise would have to be found between the requirements of animal protection and the needs of producers and consumers, the committee decided to call for the reasonable figure of 600 cm² as the minimum cage area per hen, so that the animals would be able to stretch their wings or shake their bodies at the same time, which after all is one of the basic needs of an animal of this kind.

The committee also took into consideration that what we are talking about are not machines but live animals which cannot produce regardless of their living conditions. In other words, however high the standards of hygiene of a battery-produced egg may be, it is none the less well worth investigating the nutritive value of an egg produced under stress conditions. The increasing tendency towards battery farming under the pressure of economic competition surely cannot be the epitome of wisdom. My committee therefore favours the replacement of this means of production by other

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forms more suited to the nature of the animal. We recommend that eggs be stamped not only with the date code but also with a symbol indicating the production method used, this being the only way of giving the consumer genuine freedom of choice.

The committee also believes research into alternative systems to be extremely important, and we therefore hope that the new proposals contained in Article 7 of the report promised by the Commission for 1984, in the section annotated 'if necessary', will really put forward alternative methods. The committee believes the transition period up to 1995 proposed by the Commission and adopted by Mr Tolman to be totally unacceptable. This would not only lead to an untenable state of affairs — which might eventually distort competition — being maintained for far too long, but would also create an incentive for producers to buy in new stocks of as many mini-cages as possible in the shortest possible time. The committee is aware of the problems faced by poultry farmers who presently have unsuitable cages, and therefore feels that a transition period of five years is appropriate.

As draftsman of the opinion, I very much regret the fact that the majority of the Committee on Agriculture and the committee's rapporteur have not included our well-thought-out and well-founded proposals in their report. As a result of my own very detailed experience, I believe the last point of Mr Tolman's explanatory statement as formulated to be not only debatable, but purely and simply untrue. Contrary to his claims, the animal protection associations which have got together within the Community to form the Eurogroup for Animal Welfare regard his report as unacceptable. They immediately contested his claims and are now, like us, urgently awaiting alternative proposals on poultry farming and egg production.

Ladies and gentlemen, the Committee on the Environment, Public Health and Consumer Protection would ask you to give very careful consideration to the requirements of those three sectors — environment, public health and consumer protection — and to support our four amendments.

President. — I call the Socialist Group.

Mr Woltjer. — (NL) I must say that I was amazed at the figures that the rapporteur, Mr Tolman, mentioned, such as in investment capital which he claims would be needed to increase the cage area per hen. I shall refrain from going into all the figures he did quote, but the fact is that, on this point, Mr Tolman is somewhat vague. Instead of taking up a clear stance, he has merely addressed himself to the points he has set out to defend, that is to say, economic interests pure and simple.

I should like to say on behalf of the Socialist Group that we cannot share his approach, and that we believe there must indeed be rules and regulations on investment in this sector. For that reason, we have tabled an amendment proposing that, as far as new investment is concerned, the minimum cage area should be 600 cm². But, Mr President, our amendments also say that the Commission must pay much more attention to the welfare of the animals and must try to prevent this kind of investment taking place in the future to ensure that this kind of inhumane treatment is no longer the rule. Our amendments mention a number of examples.

There is another point on which we cannot agree with Mr Tolman, and that is the question of what to do with the existing batteries. We take the view that, at least, the proposed transition period should be curtailed and, secondly, that the existing batteries should be covered by a minimum standard. There are all kinds of other ways of improving laying hens' living conditions, for instance, by way of the three bird system, which is still at the development stage, but which has already yielded very impressive results. On this point, we are worried that the Commission might not stand firm particularly in view of the fact that it has really taken only a small step forward. It is true that the Commission has proposed a regulation but it has gone no further than to propose a minimum cage area of 500 cm², without saying anything about how the entire system is to be done away with, and this despite the fact that the Commission knows perfectly well that the system is subject to serious criticism.

One final remark: one often hears it said that farmers should resist the imposition of standard for battery farms. I do not believe that a farmer would be against the abolition of his battery farms, because after all, all he has at the moment is an industrial-type business which requires precious little of his specifically agricultural knowledge.

What he has at the moment is an industry in which the animal is no longer of any importance. I still think that a farmer chooses to run a farm precisely because he likes the day-to-day contact with nature. In other words, it is not the farmer who is against these regulations; the real motivation is fear, the kind of fear which is whipped up by rapporteurs like Mr Tolman. What these people are in fact saying is that, if the farmers introduce changes, it may no longer be possible to pay them for their work. Mr President, there can be no question of that happening. We have tabled amendments saying that farmers who have respected rules which we think to be important in the interests of animal welfare should be protected from third countries which have introduced no such regulations. In other words, it should surely be possible to integrate agricultural policy and welfare policy for farm animals. I should also like to appeal to the Commission to react rather more quickly and to do more in the way of stimulating research. There are still too many wrong things going on and so much

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cheating is still going on in so many fields, like transport systems which are all but inhumane for all kinds of animals, and I should like to urge the Commission, which has taken no more than a very tentative step so far, to come up with proposals as quickly as possible so that we can go into this matter in more detail and arrive at a better solution in the interests of both the agricultural sector and the welfare of the animals themselves.

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

Mr Marck. — (NL) Mr President, I should like to approach this problem in an objective and unemotional way. In the first place, the current state of scientific research does not enable us to say for sure what are the causes of happiness or suffering among animals. Secondly, research clearly shows that the battery farming method has more advantages than disadvantages as regards the situation of both the animal and the consumer. Thirdly, the battery farming method has definite economic attractions from the producer's point of view: relatively low egg prices, security of supplies and a higher quality product. No one can complain then at the harmonization of production conditions in all the Member States of the European Community and at the formulation of minimum standards to prevent serious abuses and to avoid any distortion in competition. While awaiting further scientific information, the Commission could have restricted itself to formulating these technical provisions on such things as the minimum cage area per hen.

However, an opinion was required, and I am in favour of the rapporteur's proposal for the following reasons. Firstly, the Commission's research programmes assume a minimum cage area of between 400 and 450 cm² per hen, depending on the size of the hen. Secondly, research has shown that this is the optimum size from the economic point of view. Thirdly, an increase in the minimum size would force producers to make certain investments which, assuming a minimum cage area of 600 cm² as proposed by some people, would amount to 10% or more of total production costs, and that has got to be paid for somehow. Given the current population of laying hens in the Community, this would mean that an additional 5 000 hectares of land would have to be made available for new premises at an estimated total cost of some 850 million ECU.

Fourthly, even if the Community lays down certain standards, there is no guarantee whatsoever that these would be respected by third countries, which would then be able to compete on our markets at lower cost prices and this would in turn result in thousands of holdings going to the wall. Fifthly, additional resources would have to be set aside by the

Community to ensure that the standards are being correctly adhered to. This would mean the recruitment of additional staff at a time when the Commission has been forced to admit that it does not have sufficient staff or financial resources to implement proposed directives on the harmonization of foodstuffs for human consumption. Are we to believe that the resources which are not available to safeguard human beings could be found for the hypothetical protection of animals? At a time when poultry farmers have been given fresh hope after a series of very poor years, the imposition of higher standards would be a very serious setback.

Finally, I should like to put two questions to those who take the opposite view. Can they give us an assurance that the additional cost to the producer will be passed on in the form of a price increase payable by consumers? Is the consumer prepared to pay that much extra? And can they give us an assurance that they will refuse to buy eggs which come from battery farms in third countries, or are they concerned solely about the well-being of hens in the Community? As the answers to both these questions are bound to be in the negative, I should like to urge that the rapporteur's proposals be approved on the grounds that what we are talking about here are minimum provisions which will have serious repercussions for the producer.

President. — I call the European Democratic Group.

Mr Curry. — Mr President, once again this Parliament has got itself into a flap because the Minister in one Member State is facing a court case on battery hens. In order to rescue Mr Ertl the entire Community is forced to commune with nature and try to sort out its position on battery cages. To do that we have got virtually no worthwhile information at all. On the one side we have a producer lobby which argues that to change anything at all would be totally reprehensible and cost the housewife a fortune and that in any case the hens rather enjoy the present system. On the other side we have a lobby from a variety of groups which claims that the whole system is, by definition, wrong and unfair to the animals. What the Commission has tried to do, of course, is to steer a course exactly down the middle between these two attitudes. The result is to create a situation which maximizes the unhappiness both of the animal and of the consumer.

The economic argument stipulates a minimum cage area of 450 sq. cm. That is the area at which, insofar as we know anything about the subject, we get the maximum number of eggs for the minimum degree of mortality and cannibalism amongst the animals. Whether the cannibalism and the mortality are due to the size of the cage or to the variety of the animal in it is something we do not know very accurately either. On the other side, as I said, we have the lobby from

Curry

different parts which is arguing that the whole system has got to be done away with immediately. What we have actually got to do is to find something which is politically acceptable, without kidding ourselves that there is any known means of judging the happiness of the animals themselves. The happiness quotient of a bird is something which I have not yet been able to discover, not at least in the form in which we are discussing it at the moment.

Mr Tolman is proposing that we should, in fact, have 450 square centimetres per bird, but in a minimum cage size of 1 600 square centimetres. Now this is the important part. Throughout the Community, for the most part, there are three birds in a cage. Does he intend that, in practice, that is going to mean that each bird has a space of about 530 odd square centimetres? If he does, then his proposal is indistinguishable from the Commission's proposal and there is no point in trying to change the Commission's proposal. If what Mr Tolman is actually suggesting is that it is unlikely that there will be cages of the minimum size and that we will be dealing instead with cages holding, let us say, six birds, then it is, in fact, possible to have a minimum area of around 450 sq. cm. We need to know from the Commission whether they would be prepared to endorse that proposal in the further proposals they make to the Council themselves. So, in fact, the crucial matter is actually the minimum cage size, not the space each bird has. That, for the sake of the record, is roughly 600 square centimetres.

Now I have put down amendments which try to bridge the gulf between the two positions, Mr President. I am proposing that, as of the date of entry into force of whatever regulation emerges from the Council, new cages should be installed of a minimum size of 1 800 square centimetres and capable of holding 3 birds — that is, each bird would have 600 square centimetres — but that for the transitional period of ten years, in other words, enough time to amortize and depreciate all the hardware, producers should be allowed to keep 4 birds in that same cage. Each would then have the 450 sq. cm. proposed by Mr Tolman. At the end of that ten-year period we could effect a transition, having written off the necessary investment over a long period.

Finally — I would draw the attention of the House to the part of Mr Tolman's report which is, in fact, the result of an amendment I put down in committee calling for inspection on a Community-wide basis by Community inspectors hired and paid by the Community. We are fed up to the teeth of this heterogeneous system of inspection which is observed in some parts and not in others, with no agreement on what they are supposed to be observing in any case. If the whole purpose of this is to have a common standard and common competition, let us make sure that at least we have common and effective surveillance of that competition.

President. — I call the Liberal and Democratic Group.

Mr Maher. — Just a few brief comments. There was a time when I used to keep hens on my farm, free-range hens, but I discovered as time went on that people were not prepared to pay a decent price for the eggs I was selling in competition with those that were produced in more modern systems in battery cages. So I just went out of production.

I have had horses, I have cattle. I have sheep, and pigs, and some other animals as well, and I found with all of them that if you make them suffer, if they are under hardship, you will not get production from them. Now that should not be lost sight of.

When we are looking at the question of battery hens we have to establish a relationship between the high production that is got whether or not the bird is suffering. That cannot be denied. Now I am not an expert on this and I cannot definitely say whether a hen is unhappy in a certain size of cage or not. But I would suggest that some consideration be given to the fact that if she is producing well, if she is producing a large number of eggs, she cannot be very unhappy. If she was, she just would not produce. That is my experience with animals all my life.

The other point I would make is this.

(Interruption by Mr Gautier)

I am a farmer, Mr Gautier, and I have had long experience with animals and I am just relating my experience. I am not saying that I am an authority and I am not saying that I am infallible in this matter — anything but — I am just telling you of my experiences, and they are my experiences.

The other thing we have to take notice of is the hen size and this is why the question of standardization is a little bit difficult. There are some very small hens and there are some very large hens and some obviously would need more space than others. Perhaps there ought to be some refinement of this whole regulation — if we are to have a regulation — to take account of the different size of hen. Obviously a very small hen might be quite happy in 300 cm, whereas a very large hen, like a Rhode Island Red or some of those, could be very unhappy in that amount of space.

Finally, Mr President, I would insist very strongly that we should do the best we can to ensure that the birds are happy. I understand fully the concerns of people who express this point of view. I think we should be grateful to people who are concerned about the welfare of birds and animals. I do not think we should react negatively to them.

But we have to find a balance between economic production, whether it be meat or eggs, and the extent to

Maher

which people are prepared to pay the extra price if the system is going to be more costly. My experience in this House, generally speaking, is that the consumer interest wants to get the price as low as possible and it is constantly trying to reduce the resources that are going into agriculture. Now would they make up their minds once and for all and stop the Jekyll and Hyde attitude: on the one hand saying that we have got to have a more costly system of production because we want certain conditions for birds and animals and, on the other, saying that the price we have to pay is too high. For once let us come to terms with this and get rid of Jekyll and Hyde.

President. — I call Mr Wettig.

Mr Wettig. — *(DE)* Mr President, ladies and gentlemen, the discussion about battery farms is a typical instance of how conflicts can ensue when ideals come face to face with economic reality. So far, economic reality in this field has meant that basic standards of animal protection have not been reflected in terms of product quality requirements in the relatively short time since this discussion started. Because of the substantial economic problems which are linked to the planned, and possibly even more detailed, rules and regulations, the Commission has presented us with a proposal — which the Committee on Agriculture has gone along with — which, as far as the proposed cage sizes over a transitional period are concerned, can really be called no more than half-hearted. Those of us who wish to enter into this discussion must avoid any criticism of the farmers themselves who, over the last few decades and on the urging of the business experts and in particular of the agricultural researchers, have developed a form of livestock farming in the genuine belief that it was perfectly permissible. Many farmers may have had doubts about what they were doing, but they assumed, generally speaking, that it was all right. What the whole thing really boils down to is that the scientific community — and in particular behavioural science — has failed us in that the scientists have for years ignored and failed to pass on the results at their fingertips, and have in effect failed to apply those results to this form of livestock farming in particular. When the rapporteur, Mr Tolman, says that we still have too many dubious research findings, he is only giving us part of the truth. The fact is — and there can be no doubt about this — that the current form of poultry farming is unsuited to the kind of animals we are dealing with and in fact amounts to cruelty to animals. That fact alone should prompt us to take action.

The amendments tabled by my colleagues go somewhat further, but, if I may say so, are probably still inadequate because they fail to take sufficient account of this new form of livestock farming.

I should like in this debate to reiterate an appeal to the Commission which featured in the amendments we tabled in the course of the debate on the use of hormones in livestock rearing. It is high time the Commission gave some thought — bearing in mind the question of competition in the agricultural sector — to ways of achieving alternative forms of livestock farming. By concentrating exclusively on battery farming, we are clearly ignoring other substantial areas of livestock farming which are at least as unsuited to the nature of the animals and at least as cruel as battery farming. I expect the Commission to take more of an initiative on this issue and not always to remain inactive until vigorous public protests are raised.

President. — I call Mr Mertens.

Mr Mertens. — *(DE)* Mr President, ladies and gentlemen, I cannot believe that the number of Members present in this House accurately reflects the level of interest in this subject. I think that anyone who has followed the reports on television and in the other media will agree with me that, for a large number of people, this is a matter of very great importance. Fortunately, I think the previous speakers have managed to convey the divergence of views on this subject, so my contribution can be a brief one.

I can assure the rapporteur for the Committee on Agriculture that his proposal on the minimum cage area per hen is an improvement on what is standard practice in some places and certainly an improvement on past practice. The question is merely whether his proposal goes far enough.

I must make it clear on behalf of my colleagues from the Committee on the Environment, Public Health and Consumer Protection that the present proposal is, in our view, inadequate. We take the view that what is needed is greater sympathy with the lot of laying hens, and we hope that this House will commit itself to that sentiment. On the other hand, I cannot deny that our Committee found it difficult to reach a conclusion because we were in the tricky situation of knowing nothing about the psychological make-up of chickens or laying hens. After all, chickens and hens do not communicate in a language which is comprehensible to us. How far is it true that hens experience stress in their battery cages? How far is it true that the hens find the activity human beings expect them to perform appallingly frustrating? To what extent is what we are confronted with here a case of behavioural disturbance or is what we see in pictures and read about in reports only an external phenomenon whereby, for instance, the birds' plumage undergoes changes as a result of their being cooped up? There is precious little clarity on all these points. However, having said that, allow me to express certain doubts as to the aims of those people who put their trust in research to achieve an

Mertens

optimum solution. I am by no means convinced that, no matter how much research we do, we shall necessarily improve our knowledge as to the psychological make-up of a chicken. That is something I rather doubt.

Mr President, ladies and gentlemen, we were also somewhat limited in our decision-making process by the fact that we certainly have no wish to destroy the livelihoods of people who make their living by selling eggs and keeping hens. Nor did we have any reason to put forward an excessive proposal which, if implemented, would have added too much to the price per hen the consumer would have to pay. We have put forward our proposals, and we hope that, when it comes to the vote tomorrow, this House will reach a wise decision.

Mr President, ladies and gentlemen, I cannot be sure that this House will reach an optimum decision or one which will remain valid forever more, but at least this debate and the decision reached by this House will, in my opinion have one advantage, and that is that at least we shall, from the moment the directive comes into force, and given the right kind of checks, have the same standards and conditions throughout the European Community, and I feel that that alone should give us a sense of satisfaction and will show this debate to have been worthwhile.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Mr President, I should like to begin by thanking the rapporteur for his comprehensive report. Commission officials have done thorough research into the issues which this debate has shown to be source of conflict. The report contains a summary of the results together with our proposals.

I assume too that Parliament has received two internal documents on the scientific aspects of keeping laying hens in cages, together with the scientific results and a comprehensive bibliography. We have also published the results of the symposium organized by our agricultural research division in the form of a very comprehensive volume. Scientific evaluation has — and that is one of the findings — proved to be very difficult as the scientists themselves do not always agree.

The Commission is convinced that we have examined all the available scientific material in formulating our proposal. Given the alternatives currently available to us, it is impossible to ban battery farming. It is, however, generally acknowledged that minimum conditions must be laid down in the interests of laying hens. As a result of detailed research, we feel that a minimum cage area of 450 cm² per hen cannot be justified. We continue to hold the view that the minimum area must be at least 500 cm² to take

account of the varying sizes of the different breeds of hen.

Even this is still a subject of scientific debate and differences of opinion. We feel, though, that we can neither give consideration to less stringent requirements, nor restrict Community legislation to general observations. We must allow a suitable transitional period for the introduction of new battery cages to ensure that the market is not disrupted unnecessarily. The Commission's proposed date of 1995 for the end of that transitional period is a maximum limit which we should certainly like to see brought forward by a few years.

At the same time, though, I fully sympathize with the desire to adopt definitive measures at an earlier point in time so as to protect the animals and prevent any distortion in competition. This could be done, for instance, by guaranteeing a minimum occupation density for the existing cages up to the time appointed for the introduction of new cages. The Commission will certainly continue its perusal of alternative accommodation systems and has already earmarked the necessary resources in its research budget for the coming years.

To answer a question raised by an earlier speaker, we have already included problems relating to pigs and calves in this programme. In my opinion, it would be inappropriate to reach decisions at this stage which would prejudice the conduct and the outcome of this research. We shall also be investigating the effects of the various systems on the health status and the quality of the eggs offered for sale to the consumer. At the same time, we must give careful consideration to the economic repercussions and the practicability of any such step in this direction before we put forward proposals.

Perhaps I could add as a kind of footnote that there is of course a remedy for this situation, in that as soon as the consumer refuses to buy battery-laid eggs, battery farming itself will be virtually a dead letter . . .

President. — I call Mr Gautier for a question.

Mr Gautier. — (DE) You referred to the Commission's scientific research. But that research says quite clearly that, from the economic point of view, 450 cm² is the optimum size and accords with what appears at present to be reasonable from the point of view of animal protection. So why is the Commission proposing a cage area of 500 cm²? Is this a political decision?

Secondly, who do you take to be the real consumer? Do you not agree that most eggs are sold to the major firms producing pasta and the like rather than to individual consumers who are just buying eggs for breakfast? Do you not agree that, at the wholesale level, it does not matter in the slightest whether an egg costs

Gautier

25 or 27 pfennigs in the shop when the pastamaking firm Birkel, for instance, is liable to change its purchasing decisions depending on whether or not there is a difference of something like 0.1 of a pfennig in the price of 100 000 eggs? Would you please give figures for the percentage of eggs which actually reach the consumer as such and what proportion go to the processing industry?

Mr Narjes, Member of the Commission. — (DE) First of all, 450 cm² was, in our opinion, a minimum cage area for the smaller breeds. We have decided on 500 cm²

Mr Gautier. — (DE) You said it was the optimum size.

Mr Narjes, Member of the Commission. — (DE) No, you have not been listening properly.

Mr Gautier. — (DE) But I have at least read your research findings — unlike you, perhaps.

Mr Narjes, Member of the Commission. — (DE) You claimed just now that I had said 500 cm² was the optimum size. I did no such thing. You are referring to the report, but I have not been talking about that.

Let me repeat, to avoid any misunderstanding, that extensive research has shown, in our opinion, that a minimum cage area of 450 cm² per hen cannot be justified. We still take the view that at least 500 cm² must be allowed to take account of the different sizes of the different breeds of hen. I also said that the problem of battery-laid eggs could be alleviated or eliminated altogether if the consumer were no longer prepared to play ball.

It would appear from what you said that you take it for granted that wholesale consumers are entirely indifferent to egg quality standards. That is something I would rather doubt, at least in that form. If, for instance, quality checks were to show that battery-laid eggs were really much inferior in quality to free-range eggs, I could very well imagine that large-scale producers in particular would make great play of non-battery-laid eggs in their advertising and would adjust their selling prices accordingly.

So you cannot assume that only the individual consumer is concerned about egg quality. I could very well imagine that industrial consumers and wholesalers would share the same concerns in the interests of their final consumers.

Moving on to the social and economic repercussions, it is of course obvious that any sudden or drastic changes would have an effect on the social structure in

this sector of agriculture and on the price the consumer would have to pay for eggs. This is something we must bear in mind in any planned future measures. I can give an assurance that the Commission is prepared, if necessary, to make use of the existing instruments to take steps with regard to import quotas and export refunds to compensate for any financial repercussions *vis-à-vis* third countries. However, the Member States themselves must be responsible for the day-to-day application of these measures and for the monitoring arrangements.

To this extent, the Commission's views differ from those reflected in an amendment tabled by the Committee on Agriculture. It is, however, the job of the Commission to ensure that the rules are applied uniformly throughout the Community. Like you, I believe that the Commission should adopt more than just a passive role in this respect. The Commission feels that the appropriate legal form would be a directive and not a regulation, which would leave it up to the Member States' authorities to decide what punitive measures to adopt — given that they have an obligation to do so — and to adopt practicable measures for their sovereign territories.

President. — I call the rapporteur.

Mr Tolman, rapporteur. — (NL) Mr President, I have asked for the floor because there are just a couple of things I should like to put right. I assume that Mrs Seibel-Emmerling allowed her emotions to get the better of her when she said that I had not spoken the truth. That is a serious matter, but I shall not hold it against her. I should like instead to draw your attention to three facts which will show her comment to have been a rash one. I said in my explanatory statement that there was no going back to the 'way things used to be', to the time of genuinely free-range hens.

Firstly, I got in touch with someone from the consumers' association, the director Mr Van de Beuk, and I asked him whether he would be prepared to go back to genuinely free-range hens and accept the financial consequences of such a move. Despite the fact that we discussed this question personally some weeks ago, I have still received no reply.

The second fact, Mr President, is that I got in touch with the Dutch Animal Protection Association and asked them if they wanted to go back to the good old days of free-range hens. Their answer was in the negative on the grounds that they did not regard it as a realistic alternative.

Thirdly, Mr President, I had a discussion with 'Lekker dier', an action group which is well-known in the Netherlands. I asked them the same question: were they prepared to mount campaigns and persuade the consumer that it would cost money to revert to the old

Tolman

ways. They too answered in the negative. Well, Mr President, I think there is no need for me to dwell on this point any longer.

Mr Woltjer said that he had listened with amazement to the figures I quoted. I realize that hens are different, and the same goes for politicians. One person is more likely than another to succumb to amazement, but there is no call for Mr Woltjer to be amazed at the figures I came out with. What I said was that changes were bound to have financial consequences, and I then went on to quote the Commission's figures. I assume that those figures are accurate.

Mr President, I thought it necessary to put these two matters right so that we could reach a balanced decision at the end of this debate.

President. — I call Mr von der Vring on a point of order.

Mr von der Vring. — (DE) We still have six minutes, Mr President. This debate is now going to be closed and we cannot start another debate before 8 o'clock. Would it not be a good idea if we used the remaining time to clear up this obvious contradiction between the remarks by the Commission and Mr Gautier and gave them each three minutes to clarify matters?

President. — Mr Gautier could have asked a question but he was not down as a speaker. I therefore cannot allow any further debate.

Mr Woltjer. — (NL) Mr President, I just want to ask the rapporteur a question. Is that possible?

President. — Not any more.

Mr Woltjer. — (NL) But the rapporteur is giving an answer to something I did not say. If he is going to mention me, I want to reply as well.

President. — According to the Rules of Procedure you should have done so when the rapporteur was speaking. There is in fact provision for this in the Rules of Procedure. You cannot ask a question afterwards.

I call Mr Gautier.

Mr Gautier. — (DE) Mr President, could you please advise me just how a Member should go about asking a question before he knows what the Commission is going to say.

President. — That is beside the point!

Mr Gautier. — (DE) If the Commission gives information and refers to its own documents, which any Member has read, and if it interprets these documents wrongly — which to my mind has just happened — with the result that a lot of people rightly feel that the Commissioner has not read them, what opportunity is there for asking whether he has indeed read them?

President. — I can give you no information regarding your query as to whether Commissioners read the documents. You are entitled to ask questions if the Commissioner and the President give you leave to do so.

The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

12. Flowering bulbs, corms and tubers

President. — The next item is the report without debate (Doc. 1-807/81), drawn up by Lord Douro on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-628/81) for a regulation amending Regulation (EEC) No 315/68 fixing quality standards for flowering bulbs, corms and tubers.

The motion for a resolution will be put to the vote at the next voting time.

13. Seeds, Cereals and the Common Customs Tariff

President. — The next item is the report without debate (Doc. 1-808/81), drawn up by Mr Vernimmen on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-631/81) for

- I — a regulation amending Regulation (EEC) No 2358/71 on the common organization of the market in seeds, Regulation (EEC) No 2727/75 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.

The motion for a resolution will be put to the vote at the next voting time.

14. *Fisheries*

President. — The next item is the report (Doc. 1-830/81), drawn up by Mr Woltjer on behalf of the Committee on Agriculture, on the

communication from the Commission to the Council (Doc. 1-685/80) on the social aspects in the Community sea-fishing sector.

I call the rapporteur.

Mr Woltjer. — (NL) I should like to suggest, Mr President, that we take this report as the first item on tomorrow's agenda. I think that would be a better idea than rushing through it in a couple of minutes now.

President. — The debate will therefore be held tomorrow.

15. *Restructuring of vineyards*

President. — The next item is the report without debate (Doc. 1-809/81), drawn up by Mrs Martin on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-546/81) 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.

The motion for a resolution will be put to the vote at the next voting time.

(The sitting was suspended at 8 p.m. and resumed at 9 p.m.)¹

IN THE CHAIR: MRS VEIL

President

16. *Situation in Poland*

President. — The next item is the joint debate on four motions for resolutions on Poland:

- motion for a resolution (Doc. 1-872/81) by Mr Habsburg and Mr Penders on behalf of the Group of the European People's Party (CD Group);

- motion for a resolution (Doc. 1-833/81) by Mr Jaquet and others;

- motion for a resolution (Doc. 1-885/81) by Sir James Scott-Hopkins, Lady Elles and Mr Fergusson on behalf of the European Democratic Group;

- motion for a resolution (Doc. 1-877/81) by Mr Fanti and others.

The motion for a resolution by Mr Habsburg, Mr Klepsch and Mr Penders on the refugees from Poland has obtained 220 signatures. In accordance with Rule 49 (5) of the Rules of Procedure it has therefore been forwarded to the authorities referred to by the authors.

I call Mr Beyer de Ryke.

Mr Beyer de Ryke. — (FR) Madam President, this evening we are debating Poland. We shall do so not without passion and feeling as we voice our solidarity with Solidarity. This is what prompted us — Mr Poniatowski, Lady Elles, Mr Bangemann and myself — to brandish the Polish flag when we entered the Chamber just now. I feel that this spontaneous gesture should be followed by considered action. This is why I am tabling here and now a motion open to all Members to sign and voicing the desire of the European Parliament to fly the flag of Poland at this sad time of tragedy and suffering.

Neze Polska! Vive la Pologne!

(Applause)

President. — I call Mr Habsburg.

Mr Habsburg. — (DE) Madam President, in the 2½ years since our Parliament was elected by the people of Europe two nations have already been overrun by the Soviets. At Christmas 1979 it was Afghanistan and in the period before Christmas 1981 it was Poland's turn! In both cases Moscow has only a part share in the historical blame, in the same way as Hitler could not have put his criminal plans into action if the West had not acted so pathetically. Without appeasement policy or a peace-in-our-time policy there would have been no second world war.

This is still true today. The history of 3 decades have shown that the totalitarian superpower always backs down when the free world takes a firm stand. However, prior concessions on the part of the West have only led the tyrants in the Kremlin to take a step further.

As far back as September 1979, this Parliament was the first body to draw attention to the danger for Afghanistan. People did not listen to us and failed to draw the appropriate conclusions. Fate ran its course

¹ *Motions for resolutions entered in the register (Rule 49): see Minutes.*

Habsburg

and governments declared months later that the invasion had been a surprise to them. The current events in Poland are the almost inevitable consequences of the fact that the West has grown soft and ineffectual and of the declining credibility of our will to defend peace. People who call for the unilateral disarmament of the West are, in so doing, inviting the Soviet Union to extend the realm over which they hold bloody sway.

We are now faced with a historical tragedy. It is still impossible on the basis of the confused reports coming in to form a definitive picture of the situation. However, even at this stage, certain things are clear, for example, that there is no risk of civil war in Poland, contrary to what the junta in Warsaw maintains. All those currently in power are doing is carrying out the instructions of their bosses in Moscow against the people of Poland. What is happening in Poland is not a matter of internal politics but of aggression from outside. Poland's betrayer, General Jaruzelski, is a Soviet lackey.

People say that we should not interfere in Poland's internal affairs and no European democrat would wish to do so. All we are aiming at is preventing others doing so in accordance with the Brezhnev doctrine without us reacting appropriately. It will not be possible to put an end to the crisis by means of economic aid provided by Western countries since the roots of the crisis are predominantly political rather than economic. Marxist totalitarianism and a viable economy just do not mix.

There is no point in putting pressure on Warsaw: the decision-making centre is Moscow, which is why we demand immediate release of all political prisoners, immediate establishment of human rights, i.e. religious, political and union freedom, and replacement of the present unjust régime by a provisional democratic government in which all the various political and social forces in Poland are represented. If this is to be achieved, the free world must bring democratic pressure to bear on the Kremlin and if this does no good, it must call a halt to all sales of technology, credit and the boom in trade with the Eastern Bloc.

Poland is our last warning. If we fail to take up a common political stance and give an additional dimension to our prosperity in the form of a security policy, it will be our turn next. Then at any rate, the finest budgets, the market economy or the European social area will be of no use to us. The best political system in the world is no help if barbarians can simply overrun countries and smash everything to pieces.

We should welcome the motion for a resolution before us since it has the backing of all the various democratic forces, even if it is not as clear as it could be. In addition to this motion for a resolution, we should make a tangible gesture and immediately send a parliamentary delegation to Warsaw. This will, I hope, be done without delay, since the democratic representation of

the people of Europe should not leave the Europeans of Poland in the lurch. Walesa, Archbishop Glemp and Pope John-Paul II must be shown that the solidarity of free Europeans is not just an empty phrase.

President. — I call Mr Pelikan.

Mr Pelikan. — *(IT)* Mr President, ladies and gentlemen, I hope that those present today will understand the profound dismay of a man who, 13 years ago, experienced the stifling, at the hands of military intervention from outside, of great hope for a 'socialism in a context of freedom'; and who must today acknowledge that another great hope has been completely dashed or, at any rate, has suffered a major setback — inflicted upon another hope. I refer to the Gdansk agreements of August 1980 which constituted a hope not only for the Polish people, but for all who cherish the Socialist ideal of a more equitable and more liberal society.

Admittedly, there has been no outside intervention in this case, but repression by the police and Polish army is no less serious. For us Socialists, the suppression of civil liberties and repression, whatever form it may take, is never 'an internal affair' to which we can remain indifferent.

It is not therefore enough to issue reminders that the principles embodied in the Final Act of Helsinki must be upheld only in relationships between countries, which is undoubtedly a very important and vital principle. These agreements also refer to human rights, trade union freedom, freedom of information and freedom of movement of citizens both inside and outside their countries. When examined in this light, the turn events have taken in Poland since last Sunday, i.e. the arrest of 45 or 60 000 Polish citizens — two-thirds of them are workers, one-third intellectuals — to be sent to concentration camps, is manifestly contrary to the spirit of the Helsinki agreements and could seriously jeopardize a positive outcome of the Madrid Conference, by which all of us in this Parliament, and particularly the Socialists, are concerned and to which we are committed.

Far be it from us to pose as armchair advisers or preachers to those suffering hunger and cold and living through a personal and national tragedy, but we do feel it necessary and our duty to voice our demands.

These demands are, firstly, that the state of emergency and its attendant repressive machinery be brought to an end; secondly, the immediate release of all those

Pelikan

arrested and interned, starting with the chairman of Solidarity, Lech Walesa, and his colleagues . . .

(Applause)

. . . and information to the public on the number, names and conditions of those arrested, or their whereabouts, and permission for representatives of the Red Cross and Amnesty International to visit them and defend those sent for trial before military and civil courts, for Radio Warsaw today announced the beginning of trials in a number of Polish cities.

Thirdly, the reestablishment of civil and trade union liberties and, in particular, the activity of Solidarity to which we Socialists send our greetings and the expression of our solidarity.

Fourthly, permission for foreign correspondents to carry out their work by reestablishing telephone, telex and travel links inside the country.

Fifthly, the maintenance and stepping up of food aid from the Community and its Member States to the population whose plight is further aggravated by martial law.

Lastly, political asylum or temporary residence permits for all Polish citizens forced to flee abroad.

Ladies and gentlemen, this sums up our position which is, moreover, echoed in the joint motion for a resolution. We would be happy to reach a common stance on this basis — and I hope that this will be confirmed by the voting. Our decision would have greater moral credibility if the principles of upholding freedom and rejecting violence were applied to all countries without ideological distinctions and without exploitation for partisan purposes and propaganda,

(Applause)

whether we are dealing with Poland or Turkey, Afghanistan or Chile, Czechoslovakia or El Salvador.

(Applause)

Madam President, mention has been made over the past few days of the hope that the Poles can solve their internal problems. However understandable this hope may be, it could become a handy political alibi for anyone seeking to gloss over in silence a situation in which, on one side, we have the army and the police and, on the other, a defenceless population deprived of any rights.

A 'Polish solution' can be achieved only if there is a return to discussions and negotiations on the basis of the Gdansk agreements. We will back any move along these lines. On the other hand, if the present crisis were to lead to an authoritarian military régime based on repression, we would find it no more acceptable

than we found the dictatorships of Franco, Salazar and the Greek colonels: military dictatorships are all alike.

I am therefore convinced that nothing should be done which could exacerbate the Polish and international situations which are already sufficiently tense and fraught with potential dangerous confrontations. Nor, however, should we do anything which could be construed as passive indifference, which would serve only to encourage the repression.

This is precisely how all the ambiguous statements made by Western politicians are today interpreted by Radio Warsaw in order to convince the population that the Polish people are abandoned and alone.

We must disprove this by means of this resolution and state explicitly that this is not the case, that the voice of the Polish people, their aspiration to a greater degree of freedom and justice, is being heard here in Strasbourg and in the thousands of demonstrations being held in factories and cities throughout Europe.

We must understand that there is no freedom or democracy for Europe without freedom for the Polish people which shed so much blood to throw off the Nazi yoke during the last war.

(Loud applause)

President. — I call Lady Elles.

Lady Elles. — Madam President, I am presenting the amendment tabled on behalf of the European Democratic Group, in the name of Sir James Scott-Hopkins and others.

Madam President, 11 years ago today, violent repression took place at Gdansk. The admiration which Western and free peoples have had for the people of Poland in standing up for their rights with such determination in August 1970 is strengthened by the concern and anxiety caused by renewed oppression. The Polish Government has declared a state of emergency and the imposition of martial law. That, together with subsequent actions, is in flagrant violation of the provisions of their international undertakings and particularly of the Helsinki Final Act, where paragraph 7 of the general principles states:

The participating States will promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms, all of which derive from the inherent dignity of the human person and are essential for his free and full development.

Madam President, it is worth recalling that representatives of the Polish Government are making a mockery of these principles at this very moment in Madrid. Our governments are in contact with them, and I hope that

Elles

this is brought once again with strong determination to their notice.

Not only has the Polish Government been in breach of its obligations under international law, but they have also failed to guarantee and implement the accord which the Government itself signed with the inter-strike committee in August last year — a breach of faith to the Polish people themselves. The conditions in Poland are appalling: over 45 000 arrests, two concentration camps near Warsaw with no heating at all at a temperature of minus 20 — one, incidentally, in a place appropriately called Hell. There are also — and this is a desperate situation — no more drugs. The Polish Government has closed down the Solidarity Relief Drug Bank, and this means that there are 700 000 people in Poland at risk, 300 000 of whom are diabetics and who need insulin to survive, while 200 000 children depend for their lives on drugs coming from the West.

I therefore make my first appeal directly through this Parliament to the Polish Government to open forthwith again and restore the full functioning of this Relief Drug Bank, and to our Member States' governments to put pressure on the Polish Government to ensure that drugs are made available from the West to these innocent people who are suffering as a result of this oppression.

The shortage of food is also no new situation: it is, of course, part of the chronic state of a Communist State which is inefficient and corrupt. But let us remember that the Community is sending food to Poland, and I would ask the Commission — and I know it is a question that they will find difficult to answer — what arrangements and conditions they are making with the Polish Government, with whom they are in day-to-day negotiation in Brussels, to ensure that the food that comes from the European taxpayer goes into the shops and is made available to the Polish people. I know this is difficult, but it must be something that the Commission will take on board if we are to support supplying food to Poland.

We must also see that the transport is available. Today we have voted on enormous sums in the budget, and yet did we consider that there is no transport, there are no railways, no trucks, no lorries, to take the food from the Community into Poland and ensure that it goes to the people of Poland? Surely this is something that we should be seeing is done and done immediately.

There is also of course the question that when the food is there it is distributed to the civilian population and not, of course, to the military population.

Madam President, it must surely be in the interests not only of Poland but of East-West relations and of world peace as a whole that all possible contribution to

ensuring economic, social and political stability in Poland is made.

As we come to Christmas in freedom in this part of the world and in comparative enormous wealth, let us not forget our Polish friends who are suffering, who are not even now allowed the freedom to travel throughout their own country.

The moral, financial and political strength of the entire free world and especially the partners of Ten will now be measured by their success in bringing pressure on the Polish Government to restore once more the free conditions which they have already guaranteed to Lech Walesa and the people of Poland.

(Applause)

President. — I call Mr Fanti.

Mr Fanti. — *(IT)* Madam President, ladies and gentlemen, the Secretary of the Italian Communist Party, Mr Enrico Berlinguer, in the context of the widespread political and mass reaction both nationally and internationally, yesterday outlined to this House the position of the Italian Communists on the tragic events taking place in Poland.

Consequently, I can only repeat his outright condemnation of the violation of human rights and echo the solidarity he expressed for the Polish people and all the civilian and religious movements striving for a political solution which will give a fresh boost to democracy while fully respecting the independence of the Polish nation.

These are the opinions we have embodied in the motion for a resolution tabled by us, and the news which has filtered through to us in the last twenty-four hours merely increases our indignation, fears and anxieties. We realize how important at a time like this a joint and unanimous stance — or, at least, as unanimous a stance as possible — by the European Parliament is, and we have made a direct contribution in order to achieve this aim.

The amendment tabled by Mr Glinne has not been endorsed by us. We would in fact have preferred that the resolve of the European Parliament had on two points been expressed in a different manner. I am referring above all to the need, as far as a solution to the grave Polish crisis is concerned, to state unambiguously that a dialogue and negotiations between East and West are necessary in Europe, and on a worldwide scale, for the process of détente to be revived by halting the arms race and eliminating trouble spots. This latter need has been urgently stressed by the deterioration caused to the already precarious situation in the Middle East by Israel's decision to annex the Golan Heights.

Fanti

Secondly, we would have liked the European Parliament to reaffirm the decisions taken by the Community to continue economic as well as food aid to the Polish people in this time of dire need. However, as we feel it is necessary to give the European Parliament's vote as much impact as possible, as much responsibility as possible, we must transcend absurd and anachronistic partnership such as we heard from the mouth of a Habsburg, and therefore withdraw our motion for a resolution.

We Italian Communists and our allies vote in favour only of the amendment tabled by Mr Glinne and others, but at the same time ask for a separate vote in order to be able to reflect the split in our vote on the two points I quoted earlier.

(Applause)

17. *Welcome*

President. — I should like to welcome to the official gallery of our Parliament a delegation from the Israeli *Knesset*, led by Mr Menahem Savidor.

(Applause)

The delegation will have talks with our delegation, led by Mr de Courcy Ling, at the beginning of next week. Tomorrow it will meet representatives of our committees. The meeting between the delegations will be the seventh in a series of useful meetings which have been held each year since 1975. I sincerely welcome the *Knesset* delegation to Strasbourg and I wish both delegations all success in the talks which are to be held in the next few days.

18. *Situation in Poland (continuation)*

President. — I call the Socialist Group.

Mr Hänsch. — *(DE)* Madam President, ladies and gentlemen, Mr Pelikan and others have made worthy statements on the events in Poland. However, I deplore the fact that Mr Habsburg has taken advantage of the situation to indulge in a bit of agitation.

(Applause)

He is, I hope, well aware that the security and cooperation policy of recent years was the thing which made the development of minor freedoms in Poland at all possible in the first place.

(Applause)

The lack of moderation reflected in his speech is out of place in view of the historical and geographical situation and, Mr Habsburg, anyone involved in the various divisions of the Polish people in the past should be particularly reticent in the light of this history . . .

(Applause)

. . . by which I mean they should not be overhasty in judgment and condemnation of events which are taking place in that country today. Certainly, solidarity with the Polish people who have been oppressed for centuries, but who are going through new trials at this time, is something we share but we will have no part in inflammatory speeches. What Poland needs is to know that they can count on our solidarity in the form of aid in all areas, and people who make immoderate speeches may find it very gratifying to do so, but are doing nothing to help the people of Poland.

(Applause)

It is so easy, ladies and gentlemen, Mr Habsburg, to hoist the flag of heroism and make sanctimonious speeches. All we will have to offer the people of Poland in its darkest hours is our sympathy and this is something we should bear in mind when discussing Poland here today.

(Applause)

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

Mr Gonella. — *(IT)* Madam President, ladies and gentlemen, as soon as martial law was declared in Poland the European Parliament members of the Christian-Democratic Group asked that the Political Affairs Committee be convened immediately and that the crisis be discussed in this House. We should like to clarify certain points briefly. Firstly, this is a twist of history. Between the two world wars we were resolute opponents of the fascist and nazi leaders who were crushing freedom; now we are opponents of the Polish generals who are violating the rights of their people. In the former case, the concentration camps were intended for the Jews, whereas now they are intended for the free trade unionists of Poland.

As many others have already stressed, mere indignation, my friends, is not enough. As far as our moral conscience and our sense of history are concerned, indignation compassion, encouragement, sympathy and solidarity, however noble these sentiments may be, are simply not enough; we cannot shirk our political responsibilities! The origins of this tragedy lie in Soviet style communism and not in free trade unionism; the true culprits are those who have stifled the right to self-government who are to blame. At the

Gonella

helm is a general who is also the leader of the Polish Communist party. Logically, he must safeguard his political regime, regardless perhaps of what this may mean in terms of Poland's independence and the rights of her citizens. Moreover, Poland is under no threat from anyone apart, possibly, from the Warsaw Pact forces. The trade unions are asking for the most democratic of rights, i.e. the right to hold a referendum.

Another point is the logic of the totalitarian system. What has happened is not, as has been maintained, a mere incident along this political path, but rather the logical consequence of a system which monopolizes power. That's all there is to it!

(Applause)

Before bringing my address to a close, I should like to stress that the Polish crisis is not, as has been high-handedly maintained in this House an internal Polish affair. Far from it!

(Applause)

The fact is that Warsaw belongs to a bloc — a political as well as a military bloc — of States which have no alternative but to surrender part of their sovereignty and be dictated to by the only sovereign State in the bloc. It goes against the grain to say: let the Poles sort things out for themselves. Fundamental human and national values are at stake and any attack on the freedom of the Poles is also an attack on our own freedom. Europe is an organic Community, i.e. a living organism which means that when any single organ is hurt, the whole organism feels the effects. The Polish issue is, as far as we are concerned, a European issue and we Christian-Democrats have said so repeatedly. All the peoples of the Community agreed to safeguard the commitments taken at Helsinki and which are today seriously jeopardized. This is the moral, legal and political aspect of the internationalization of the Polish crisis! We do not wish to close our eyes in the same way as eyes were closed at the time of the Munich agreements in any claim or hope to defend peace.

Lastly, as I said earlier to some honourable Members, it is our duty to help the Polish people. The flow of food and financial aid must be maintained and, indeed, stepped up provided that there are no blank cheques to unspecified recipients. We know that the Polish army is well catered for by aid from the Warsaw Pact, but there is no parallel Warsaw Pact to help women, children and the persecuted, and it is to them that the bulk of our aid should go: food aid, aid to the sick and the needy in the poorer quarters, rather than to the Polish garrisons. As has already been pointed out, a Community delegation might be a useful guarantee in this connection.

Let us be clear on this. The danger of a bloody civil war should be averted by the release of those interned and the resumption of negotiations. What we want, my dear Mr Fanti, is internal disarmament before international disarmament; we want internal détente before international detente. This is the main concern of the friends of the Christian-Democratic Group on behalf of whom I should like to send to the Polish people a sincere message of solidarity and compassion.

(Loud applause)

President. — I call the European Democratic Group.

Sir Frederick Catherwood. — Madam President, we all object to the Polish military regime but what we have to ask ourselves practically tonight is: How far do we maintain the flow of food for a Poland under military rule, or do we make that a Soviet responsibility? Do we allow the Polish regime to postpone its debates, or do we make that too a Soviet responsibility? Do we make them turn to the Soviets for their raw materials? Should we, could we under treaty make them turn to the Soviets with those exports that we no longer wish to accept from a military regime?

We have only to pose those questions to realize the answer. Because of our economic links. We have it in our power, if we wish, to turn a Polish military regime into a Soviet satellite regime without the Soviets moving a single tank. We have not got it in our power to release Lech Walesa, but by mistaken actions we can make sure that he is never released. We can make sure on the other hand, by acting wisely, that the living links that do exist between Poland's democratic hopes and the Community's democratic example are not cut off. So long as those links exist, there is some democratic pressure from outside to match the enormous democratic pressure from within.

So we must maintain our flow of food; we must continue to buy Polish products and to supply them with raw materials. It is not in our democratic interests that our banks should regard the Soviets as guarantors in the last resort of Polish debts and welcome Soviet intervention, so we should maintain their credit too. We must not put Poland, even under a military regime, at the mercy solely of the Soviet Union. We must keep their hope alive, and we must pray and hope ourselves that within Poland a regime can be found which can live with the democratic hopes that we hope too for the Polish people.

(Applause)

President. — I call the Communist and Allies Group.

Mr Martin. — (FR) Madam President, ladies and gentlemen, the French Communists, on whose behalf I speak, will not take part in the voting.

Faced with this situation which can only be described as regrettable, whichever way one looks at it, we both understand and share the feelings of those — and there are many, particularly in France — who cherish liberty, peace and socialism.

We understand and share this indignation at the declaration of a state of emergency which has entailed the suppression of fundamental liberties, and produced a spate of arrests and internments. We have always been close to the working class and the people in Poland thanks to ties of deep friendship. We observed with interest and sympathy the reforms undertaken to rectify past errors and develop socialism. This bolsters our belief that nothing must be done which could aggravate the risk of civil war or of foreign intervention, which we want to avoid, and nothing which could endanger peace, cooperation and security for all the European peoples. We feel that all friends of the Polish people, of freedom and of peace should adopt this approach. This is a far cry from the attitude of certain politicians such as the leaders of the right in France, who fail to see any further than the ends of their partisan noses.

(Protests from the right)

How many of those politicians who are today cynically kicking up no end of a fuss about Poland, supported, still support or come to terms with the bloody dictatorships that are rife throughout the world, such as those of Chile, Salvador or Turkey, or gloss over in silence Israel's annexation of the Golan Heights? It is in fact very tempting to say that what we have here is a case of the pot calling the kettle black!

Their policy of stirring things up shows that what they want is for blood to be shed.

We French Communists, just like other Communists, do not wish to see Poland torn apart. We were gratified that there is substantial support for our constructive and human concern from people in responsible positions who manifest their resolve to keep a cool head. The Polish authorities have made it known that the measures taken are temporary and that there will be no halt to the process of building democracy.

Our sincere hope is that the conditions whereby the basis of a peaceful and democratic solution to the Polish crisis as soon as possible can be safeguarded. It is on this basis of national agreement that the economic, social and democratic reforms which socialist Poland needs can be achieved.

President. — I call the Liberal and Democratic Group.

Mr Poniatoski. — (FR) Ladies and gentlemen, what a privilege it is to meet here as free men and women.

(Applause)

This may no longer be the case if certain trends continue. The weaknesses shown at Munich sowed the seeds of the crimes perpetrated during the war which followed. The time has come for us, too, to make a stand and it is preferable to demonstrate courage too early than heroism too late.

Those who went through the war know what I am getting at.

To what then should we devote our courage? To very simple things. Every nation is entitled to an existence which is free, sovereign and in line with its traditions. The wealth of the world lies in the creation in freedom by each people of its own culture and its own civilization. This respect for other peoples is the precondition for peace and every man is entitled to the dignity of his person and his mind. He should thus be free from unjust force and from want.

Poland no longer has any truly sovereign existence and each Pole's individual and national pride has suffered a severe blow. It grieves me to say this for I have known nearly all the Polish leaders for many years and I can say that these were sincere men and, first and foremost, Poles who cherished their homeland.

What we are witnessing is not an internal affair; it is a national dictatorship established as a way of avoiding a foreign dictatorship, a further stage in the long history of the terrible violence, brutality, deportations and annexation which Russia has for three centuries inflicted upon Poland.

Poland is a Western country deeply anchored in its traditions and its national values, a country characterized by fervour and religious belief. Unfortunately for Poland, it is used as a rampart against the values of freedom, justice and humility which constitute the mainstay of the type of civilization we have in common. Two centuries ago, the colours of the Polish legions were flying in battle for France and bore the inscription 'For our liberty and yours'. It is time this was repeated, for the freedom of Poland is the freedom of the whole of Europe!

(Applause)

All possible pressure must be brought to bear in order to protect Poland against her true aggressor. The means of pressure are economic, financial, technological and also those aimed at destabilization. These are the means of freedom. We can demonstrate our solidarity by protecting Poland in this way and giving her all she needs in the way of material and moral sub-

Poniatowski

stance. I say aloud 'Long Live Poland!' because this means

(Applause)

'Long live Greece and Italy', the cradle of our civilization. It means 'Long live Britain and Denmark', the source of our democracy. It means 'Long live Western Germany' and 'Long live the Netherlands, Belgium and Luxembourg' and 'Long live Ireland', a country so similar to Poland by its spirit and its history; it means 'Long live the France of freedom!'

(Applause)

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

Mr Israël. — *(FR)* Madam President, ladies and gentlemen, the military have taken over the reins in Poland much to the dismay of the rest of Europe. It is disquieting to learn that men and women can wake up one in the morning to discover that the military have during the night arrested people whose only crime is to want freedom.

This indignation, this dismay, this fear for world peace places a heavy burden of responsibilities on the European governments, but it would be a grave mistake not to take account also of the disillusion of all the peoples of Europe at the reaction in the embassies of the free world. The impression is that everyone is saying that our governments have failed to react responsibly to this flagrant violation of a people's right to self-determination. The fact that it was the Polish army which undertook the task makes no difference.

(Applause)

Lurking in the shadows behind these soldiers we can sense the presence of those pulling the strings from Moscow. What is the explanation for this mass disappointment as regards the attitude of our governments? The EEC countries and the European Council take refuge behind a barrage of words, such as 'non-interference', magic words which are supposed will ward off armed intervention by the Soviet Union.

However, the people are wiser than the governments for they understand that Soviet intervention in Poland began exactly 42 years ago. Poland ceased to be a free country in September 1939 and the fear of governments that the last stage of interference, i.e. armed Soviet intervention, might take place is in fact nothing more than wisdom after the event. Admittedly, it is no use trying to give the Poles false hopes or to hint that the West will tomorrow be able to help them shake off the Soviet yoke. Nevertheless, the hope nurtured in oppressed countries following the Helsinki Agreement should not be allowed to die and everyone would do

well to note that public opinion in the West has taken at their face value the statements made by Soviet leaders who quite calmly put their signatures to international agreements on human rights with one hand and then proceed to violate them with the other.

The good old scapegoat method is alive and well in the propaganda of Warsaw's dictatorial government. With a cunning worthy of the Nazis, it is suggested that Solidarity is run by Judeo-Masons. This statement alone is enough to discredit the new authorities in Poland for good, just in case anybody still harboured some illusions on their score. But no one can pull the wool over the eyes of the Polish people. The workers in Warsaw, Gdansk and Szczecin who are demonstrating, and the miners of Katowice, the intellectuals in the towns and the peasants in the countryside are hungry and enduring unspeakable suffering. They therefore want to throw off these shackles, because Madam President, it is not possible to starve an entire population and get away with it.

But what can the West do other than keep hope alive? Admittedly, it could be dangerous to denounce the Helsinki Agreements, but human rights should figure on the agenda of all international negotiations. It must be brought home to the USSR that they have gone too far and that the West cannot go on exchanging trade agreements which are advantageous to the USSR in return for hot air. A day will come, unfortunately, when we will have to consider, in the context of a concerted policy in conjunction with the United States and Japan, halting the supply to the USSR of advanced technology capable of application in the military or space research fields.

The Polish crisis prompts protest and prudence, but as representatives of the European peoples it is our duty to state unhesitatingly that the plight of Poland concerns us all and we cannot for a single instant consider remaining silent and powerless when the fate of millions of Poles, i.e. millions of Europeans, is hovering on the brink.

(Applause)

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

Mrs Macciocchi. — *(IT)* Madam President, during this festive season, our hearts are this year in Warsaw for Christmas. The great hue and cry raised here means that this Parliament could well end up by turning its back at this Christmas time on an increasingly threatened people desperately trying to jog our memories. When we come to think of it, ladies and gentlemen — and this is for your benefit, honourable Members of the Left — it is obvious that the Russians have a soft spot for holidays when it comes to moving

Macciocchi

their armies around or violating the Helsinki agreements with impunity. The Berlin wall was put up on 13 August 1961; they invaded Czechoslovakia on 21 August 1968 and Afghanistan at Christmas 1980. And now, Christmas 1981, we have the state of emergency in Poland.

The military dictatorship in Poland took over using the same technique as that used by General Pinochet and is a sharp reminder of the tragic crushing of Afghanistan.

Latin America, the Middle East, Afghanistan, Poland. These are, as I see it, the four terrifying focal points of human suffering anchored in the relentless logic of the American/Russian chessboard. These focal points together form a pattern which we could describe as the zone of 'conflict by proxy'.

What I am getting at is this. Much was made — and intentionally so — of the significance of the pacifist demonstrations in Europe which expressed grave concern and anxiety. What I wonder is why these movements are not today rallying to form a massive movement in support of Poland? And why this Parliament does not urge these same movements to unite and demand an explanation of why freedom has been squashed in Poland?

Are we perhaps to think that this pacifist drive is meant to benefit only one side and that our fight for peace is a one-sided affair?

This is also a serious problem as far as you are concerned, honourable Communist members, in that Mr Berlinguer, much as I appreciate his outright condemnation — just as he condemned the invasion of Afghanistan — of the violation of freedom in Poland, always takes the floor here after the event, indeed after the crime.

Why do you, too, not launch an appeal for open support by means of new and massive demonstrations, such as those which are organized for peace, in support of the freedom which has been betrayed in Poland?

Action, ladies and gentlemen, speaks louder than words; unfortunately, hypocrisy seems to be the order of the day!

I should like to say to Mr Fanti what he said on the resumption of negotiations between East and West seems to me to be yet another red herring to draw our attention away from the tragedy taking place in Poland.

Furthermore, all the honourable Members who on all sides of this House applauded Mr Berlinguer when he made his condemnation should realize that what they are doing is solving their consciences, in that this condemnation offers them a pretext for considering

this great tragedy not as a violation of the Final Act of Helsinki but as an internal affair concerning Communist ideology and Communist régimes. Mr Gonella has already pointed this out, and we are making a mistake because Walesa is neither a Marxist nor a Leninist. As everyone knows, he is a Catholic and the representative of a new working class the vast majority of which is also Catholic and the leaders of which are today all interned. Consequently, and I am now addressing all sides of the House, it takes a hefty dose of hypocrisy to state, as the Ten did in London, that there has been no foreign interference in Poland and let all Members who stated as much take note of this.

Interference there has been — and to no uncertain extent at that — for over a year.

Suffice it to remember that on 10 December the Tass agency called for steps to be taken to defend the constitutional bases of the Polish State.

It takes a lot of cynicism to maintain that this Parliament has to be cautious in that anything we do could be construed as outside interference in the light of the Helsinki agreements which are cast aside like an old sock and flouted at will.

The Europe of the Ten has yet again taken on the role of Pontius Pilate while the explosive situation in Poland is extremely ominous. It is totally wrong to maintain that Poland will sort things out for herself, ladies and gentlemen; her people can do nothing without the generous, unconditional and total aid of the European peoples.

As Lady Elles has quite rightly reaffirmed, and as has been stated by many others, as much food aid as possible should be sent to the Polish people. We have to get as much help as possible to Poland and ask organizations which are specialized in emergency aid to see that this aid is distributed properly.

However, General Jaruzelski's government of the 18th of Brumaire should not count on the economic and financial aid of the Community governments — particularly as regards reimbursement of its foreign debt — unless he respects those human rights of which I would like to remind you all, unless he releases political prisoners, unless he finds a peaceful solution to the problems which set him at odds with his people, or rather the majority of his people.

My solemn wish is that this Parliament snaps out of this pervading faintheartedness so that we can, Madam President, send a European delegation to Poland; this is what my amendment is about.

Nevertheless, I should like to claim a major role for Europe in this context even if we are threatened by the spirit of Munich, a major role in the sense that it can, despite everything and everyone, uphold fundamental

Macciocchi

rights — the right of peoples and of man to freedom, and to independence from force.

Madam President, although any steps we may take to some extent appear symbolic, they none the less have great importance and great impact as far as reviving the hopes of an entire nation is concerned.

Today more than ever before, Europe must stand up for peace and liberty, but in real rather than hypocritical terms.

This explains why I am against make believe unanimity and against the convergence of views mentioned on the subject of the so-called joint resolution to the effect that there has been outside intervention.

This being the case, it is in my opinion impossible for the group on behalf of which I speak to vote for this type of amendments. I insist that my amendment be tabled and I also insist, Madam President, that it be voted for on its own merits.

If this is not done and if our amendment, is not accepted, at least in part, I warn you that we will vote against the so-called joint resolution because I, like many of you, believe the Polish people are entitled to their Christmas too.

(Applause)

President. — I call Mr Gondikas.

Mr Gondikas. — *(GR)* The tragic events in Poland, Madam President, represent a new aspect in the contemporary political history of the so-called socialist countries, namely the dissolution of the government and the seizing of power by a military junta. We must concern ourselves with and examine this unusual phenomenon because it probably constitutes a new form of active interference by the Soviet Union in the internal affairs of its satellites.

The events in Poland should be a good lesson to everyone. Unfortunately there are among us some naive people who thought that the policy of détente was one of the intentions of the Soviet Union and were so blinded by the hope of peaceful coexistence between nations that they failed to see that Western Europe, by pursuing the policy of détente, was on a slippery one-way slope leading into the unknown.

We have heard it said, Madam President, that the tragedy of Poland is an internal affair, and this probably also serves the interests of certain Western governments. But this is a mistaken view. The Polish affair is the outcome of specific mistakes in the policy of many States, and let us not forget that the Polish affair is also our own, since peace and democracy are at stake. Those who pretend not to grasp the extent of

the threats and of the disastrous consequences for Poland are like ostriches burying their heads in the sand.

The Polish affair is also extremely significant in another respect: it demonstrates the monumental failure of the so-called socialist system at every stage of its development and will go down in history as an example of this failure.

(Applause)

The recent history of Poland, Madam President, may be divided into definite periods. The whole world remembers the anguished cry of the Polish people in 1956: 'We want bread, we want freedom!' And it also remembers how this revolt was bloodily suppressed at a cost of 48 dead and 210 injured. In 1970 Gomulka was relieved of office, and again Polish blood was shed. In 1976 Gierek was shaken by the strikes over price rises, and a new wave of force followed. In 1981 socialist Poland's military junta has arrested 45 000 people and has so far killed about 28. So in saying, ladies and gentlemen, that these events are an internal Polish affair we are slamming the door in the face of those who are prepared to shed their blood in order to breathe the air of freedom and democracy.

(Applause)

President. — I call Mr Schwencke.

Mr Schwencke. — *(DE)* Madam President, it is only the people of Poland themselves who can decide what is good for their country. Danzig 1980 must represent their chance for the future. All we can do is help them make use of this chance of freedom so that Poland may get over the coming difficult months and possibly years.

In relation to Poland, Mr Berlinguer yesterday defined what he understands by freedom, and, in my view too, freedom can only be seen in terms of social and political progress. There is nothing I can add to this.

Europe is a thousand blooming flowers and if a single one of them is without water, the whole of Europe suffers. That is the spirit of Helsinki. We are genuinely suffering with our fellow Europeans in the People's Republic of Poland. We hope that the suffering which the Poles are currently going through will not lead to that State, on which we as Europeans pin our hopes, ceasing to exist.

Truth presupposes honesty, and this honesty was in evidence in the speech by Jiri Pelikan. I should like, on the other hand, to express our deep contempt for the sounds emanating from the House of Habsburg on the situation of the people of Poland.

Schwencke

Madam President, we who have been active in the German-Polish Society for the past twenty years hope for a better future for the peoples of both our countries. We hope for the freedom of the Polish people and this will call for both material and moral support on our part.

(Applause)

President. — I call Mr Deschamps.

Mr Deschamps. — *(FR)* In a debate characterized by a passion I can understand, I should like to speak without rancour, but frankly, and without bias, but with the fervour and the anxiety of a man who was in Warsaw less than a month ago amidst the members of the Polish Catholic Social Union Group working in relative freedom and legally to foster the interests of freedom in their country.

Ladies and gentlemen, I regret to have to say that this parliament has today written a very sorry page in its comparatively short history. By rejecting this morning an appropriation of 10 million as food aid to Poland — and not, I hasten to add, for any reasons of budgetary procedure not, as it happens, that anyone has suggested as much, but for reasons which are exclusively political — this Parliament has refused the only concrete gesture it could make today to help the Polish people with whom it this evening claims to sympathize.

The debate we are holding this evening is thus deprived of its fundamental meaning and whatever speeches are made, whatever resolutions are voted, they could well amount to nothing but hypocrisy and hot air.

If it really wanted to be representative, it is this morning that the European Parliament should have demonstrated this. Make no mistake, ladies and gentlemen, the vast majority of the European people expect us to be unflinchingly and wholeheartedly behind the Polish people in their struggle. The people of Europe, irrespective of class or politics, would not take it kindly if certain of us refused, for base reasons of partisan feeling or servility to preserve the unity of certain government or certain parties, to allow this parliament to manifest its solidarity for these people risking their freedom and lives for the sake of values which are also ours.

The fact is — and I stress this strongly like many others this evening — that the events in Poland concern us all. If our governments choose, out of faint-hearted caution, to throw up a smoke screen when it comes to foreign intervention, the violation of human rights, the violation of the Helsinki agreements, the victims of repression and the internment of trade union leaders, we parliamentarians are by no means

bound by such over-cautious attitudes. As representatives of the European peoples, we must state loudly and clearly our wholehearted and dedicated solidarity with the Polish people. Our objective is a threefold one. Firstly, we must demonstrate our resolve to help the unfortunate Polish people to survive by means of all forms of international aid. Secondly, we must without fail state that we have taken up the cause of Solidarity and Walesa and its other leaders. We demand their release. 'Support for Solidarity', as has been said, and support, more generally speaking, for all the Polish people; this must be our prime watchword. Thirdly, we must consolidate vigorously the strength and the effectiveness of international protest and condemnation. This stance is borne out by the conclusion of the Sakharov affair.

Ladies and gentlemen, my feeling is that this morning we failed in our main duty, and I am proud to think that there are no wets in my group. Let us hope that we can this evening redeem ourselves by a unanimous vote for the motion for a resolution that has been tabled and above all by the decision to send to Poland a delegation from our parliament to contact our parliamentary colleagues of the Polish Diete, with whom I was a month ago and of whom we today have no news, in order to prove to the Polish people and their legitimate representatives that we are steadfastly behind to them.

In conclusion, at a time when radio Warsaw informs us that the army and the police have received orders to open fire if serious incidents break out, I hope that we of the European Parliament will unanimously adopt the heart rending appeal launched last Sunday by a Polish Pope John Paul II: 'No more bloodshed in Poland! Enough Polish blood has been shed for the cause of freedom!' May our voices be heard by all those, whoever and wherever they may be in Poland, who are still proud to call themselves Poles.

(Applause)

President. — I call Mr Tyrrell.

Mr Tyrrell. — Madam President, no democratic movement in recent times has shown more restraint than that in Poland. It has been building up slowly over many years. Last summer it showed itself openly. It had the support apparently of about 99% of the population, and yet it showed restraint. It moved forward slowly. It was existing under a regime which itself, had exposed the bankruptcy of the economic and political system favoured by it, and yet it showed restraint.

There was one reason why that restraint was shown. The reason was the Russian threat just across the border, and when people talk about non-interference by outside powers in the affairs of Poland. I do hope

Tyrrell

they mean no physical interference, no military invasion, no troops. If they mean anything else, then they are living in cloud-cuckoo-land. This whole revolution or reformation or renewal has taken place under the shadow of the Russian threat.

Now how has the regime reacted? Painfully, little by little, concessions have been wrung out of the regime. Leader after leader has had to be dismissed. Yet the regime has continued to exist as the government of Poland with the consent of the people, because they knew that if they got rid of it, as they could, there would be a Russian invasion. In recent times, however, that regime has been showing provocation. Let us not think that this weekend's events were sudden. They were prepared. They were very carefully prepared. They have been in the pipeline for some weeks. In the last two or three weeks in particular the regime has been deliberately provoking Solidarity. We had the circumstances of the invasion of the Fire Brigade cadets school without any negotiation; there was the threat of legislation to prohibit strikes, which we all around this House regard as the right of any worker.

So one had that kind of provocation coming. What was Solidarity's reaction? They demanded or said they were going to demand elections next February. What kind of elections? Local elections. Is there anybody in this House who does not take local elections for granted? This was their moderate response. And what happens then? We get the sudden military takeover last weekend. Why? Now why was this movement towards democracy stamped out? Was that the wish of the Polish people? Was it a matter of national salvation, or was it at the behest of some outside power? I ask the questions, but I know the answers. And so, ladies and gentlemen, do all of you.

Now what do we do in these circumstances? Our reaction in the West must be electric. In practical terms, there must be no more food aid channelled through the Polish Government. We do not want to feed the bellies of the soldiers and the prison warders who are holding 45 000 in internment camps. Any food aid must be channelled through the Church, and food aid channelled through the Church, must be doubled in its generosity. They will give it to the people who need it. We must make sure that the medical supplies get through. Three to four hundred people were injured in the streets of Gdansk last night. They rely, and have relied for the last 12 months, on Solidarity to give them their medicines, and it is to Solidarity that we in the West must make sure we give our medicines. They must have the drugs to cure the sick and tend the injured. It is to them and them only that these must be given.

Madam President, our hopes for the future of our children are the same as Polish hopes for the future of their children. We can only look forward to a time when the situation in the East is the same as in the West, when freedom is accepted in the East as it is in

the West. When that time comes, our children will have permanent peace. Poland has been showing the way, and we must support Poland to the bitter end.

(Applause)

President. — I call Mr Kirkos.

Mr Kirkos. — *(GR)* Madam President, ladies and gentlemen, the Communist Party of Greece *(Interior)* shares the concern expressed in this House at the developments in Poland. In accordance with our position on socialism with democracy, we firmly and unequivocally condemn the measures taken by the military council in Poland to deal with the internal crisis.

In Poland considerable progress had been made towards democratizing and renewing the socialist system. The imposition of martial law has today dealt a severe blow to this process. But who can deny that the dramatic events in Poland, which constitutes an extremely sensitive element in the balance of power in Europe, reflect both the crisis in international relations and the trend towards a return to a cold-war climate?

Madam President, it would be easy to enumerate the occasions on which the European Parliament has actually remained indifferent to other disastrous events, and one might also speak about the hypocrisy towards the obvious and very grave guilt of Western powers. But in any case it is more sensible at the moment, by condemning any cold-war exploitation, to offer the Polish people what we can within the limits of the various views which may not necessarily be reflected in a uniform resolution, i.e. disapproval of the imposition of martial law, our appeal for the immediate restoration of the democratic rights acquired and the avoidance of any outside intervention, and at the same time our decision that the Community should grant the maximum possible aid in the form of food, medicines and finance. I also think that we must reject those voices which, in the name of some strange conception of democracy and humanity, are asking for aid not to be sent unless there are political strings attached.

(Applause)

President. — I call Mr Haagerup.

Mr Haagerup. — *(DK)* Madam President, around a quarter of a century ago, there was considerable talk, particularly in the United States, of a 'roll-back' policy, which was a term applied to an approach based on the idea that we should try to roll back the Iron Curtain and restore freedom to the oppressed peoples of Eastern Europe. However, people recognized the dangers inherent in a policy of this kind and quite sensibly never put it into practice. Instead, we have

Haagerup

endeavoured to live side by side in Europe, and after many years of cold war, we have experimented with a policy aimed at détente.

The hopes that this policy might produce results were reflected in the Helsinki Declaration of 1975 and I dare say that we in the free part of Europe genuinely hoped that the Eastern Bloc countries would gradually move towards greater freedom.

The events in Poland now demonstrate the failure to give those forces who want more freedom an opportunity for development. We see, rather, the way those with the power who are running the system are using force against the people who in recent years have established one of the greatest popular trade union movements which Europe has ever seen, i.e. Solidarity.

Madam President, I do not think there is any greater tragedy than a country which feels compelled to use its own troops against its own people in the service of a foreign power.

(Applause)

Before I conclude my remarks, I should like to say a few words on the motions for resolutions. Some of you are perhaps confused because there is more than one motion for a resolution, but I should like to point out that, following certain discussions, if an amendment, signed by five of the six group chairmen is adopted we will have a joint motion for a resolution, and we have also received Mr Fanti's assurance that a section of the Communist Group, which he represents, will vote in favour of it, even if they have certain reservations regarding one or two passages.

For the record, I should like to say — since I was responsible for drawing up the joint motion for a resolution which Mr Glinne had no difficulty in taking as a basis for the discussions in his office — that there was agreement on this joint wording and, without going into the details of our discussions, which were conducted in a positive and constructive spirit, for which I am grateful, I look forward to this joint resolution being adopted unanimously here this evening.

If we ask ourselves what we can do, the answer is that one of the few possibilities open to us is to condemn, jointly and in a dignified but nevertheless severe fashion, the events in Poland and in the same spirit I should like to ask those who have tabled the other motion for a resolution — i.e. Mrs Macchiocchi and others — to withdraw it. If they do not, I should like to urge Parliament to reject it since we cannot adopt more than one resolution and I am certain that it will be possible for the motion for a resolution signed by the group chairmen and the group foreign policy spokesmen to be adopted unanimously here this evening, and this is what will enable this debate to be brought to an appropriate and effective conclusion.

President. — I call Mr Almirante.

Mr Almirante. — *(IT)* Madam President, we of the Italian Right have tabled a motion for a resolution to which, as before, Mr Romualdi, who has kindly allowed me to take over his speaking time, is also a signatory although we have tabled our own motion for a resolution, we are prepared to vote unconditionally and without exception for the resolution submitted by Mr Habsburg and the resolution submitted by Mr Jaquet, as well as for the amendments tabled by Mrs Macciocchi and Mr Ripa di Meana. In particular, I should like to stress that we wholeheartedly share the courageous comments made by Mr Habsburg and Mr Gonella and the moving address made by Mr Pelikan in his capacity as an exile.

This to some extent makes up for the shame of yesterday's meeting when the President, Mrs Thatcher, was compelled to make a cynical declaration. I say 'compelled', because we had previously read the cynical memorandum from the Council of Ministers who felt it necessary to sidestep the Polish issue by a sort of 'nonsuit' *vis-à-vis* those who are directly and indirectly responsible, thus failing in our prime duty, which is to uphold human rights wherever these are violated. We are prepared to vote in favour of documents carrying a responsible condemnation of whoever violates human rights anywhere in the world.

Furthermore, we were dismayed and grieved by yesterday's unreservedly naive applause for the speech pronounced by Mr Berlinguer, the secretary of the Italian Communist Party. As you will have witnessed from tonight's proceedings, truth will out! We heard an address by the French Communists, and we also learned that Mr Fanti, on behalf of the Italian Communist Party, has withdrawn at least some of what we were given to understand by Mr Berlinguer. Having dropped some skilful propaganda, the latter has hurried off to Italy to reap the advantages in manoeuvres which unfortunately the Communist Party is making in our country with a certain degree of success and with an inordinate amount of credit. In this House, Mr Fanti has been forced to express reservations. Why? Because a face-saving exercise is needed in order to diminish the responsibility of the Soviet Union. The aim is to take advantage of the Polish tragedy so that détente may continue unhindered for Soviet purposes.

At least we now know where we stand. Let the Italian Communists beware, because they have been represented on this occasion by Mr Fanti, who supported the Italian Social Republic.

(Protests from certain quarters on the left)

I said this in Italy and now I am saying it again in a European forum so think twice before opening your mouths. Mr Fanti should surrender the coat he took

Almirante

away from the officers' school of Fontanellato during the time of the Italian Social Republic! It is as well that the rest of Europe realize the means the Italian Communist Party is using to purvey its pro-Soviet propaganda and what degree of credibility, even at a personal level the Italian Communist Party has in the House.

We hope our message has been understood and we sincerely hope that the responsibility of the true instigators of the Polish tragedy can be established. This is the only way in which Europe can really be at once with itself, because Warsaw is a European capital.

(Applause)

President. — I call Mr Plaskovitis.

Mr Plaskovitis. — (GR) Madame President, in times of crisis the Greek Socialists have always shown their opposition to the violation of human and civil rights. For this reason they have suffered cruel persecution in their own country and still feel very strongly whenever these rights are violated.

They do not forget, however, that such violations can be seen all over the world and that certain sides of this House do not react in the same way at what is happening in Turkey or at what happened during the invasion of Cyprus or at what is happening to the Palestinian peoples. In these circumstances we are bound to state that we naturally share the wish of the entire European Parliament that the Polish people should be given moral support at this difficult time. However, we are not at all prepared to serve cold-war objectives in the name of the difficulties being experienced by the Polish people and in the name of our emotions at any violation of human dignity.

For this reason we intend to vote for the joint resolution, if the European Parliament manages to get that far, and for the joint amendments tabled by the Socialist Group and others, but we shall vote against any condemnation of one or other of the political forces in Poland and we shall also condemn the attempt to attach various political and cold-war conditions to the economic and material aid to the suffering Polish people. We Greek Socialists declare our opposition to these two points and our intention to vote against them, although we shall be voting on the resolution as a whole, assuming it is finally put to the vote.

Madam President, I should just like to make the point that it is impossible to ignore than any *coup d'état* occurring in a Western country occurs where parliamentary democracy already exists, while in Poland and the other Eastern European countries there is a different system, so that a takeover does not have the same significance or the same seriousness, which is something that some of the political groupings on this side wish to ignore.

(Applause)

President. — I call Mr von Bismarck.

Mr von Bismarck. — (DE) Madam President, ladies and gentlemen, the fact that the current events in (Gdansk, Szczecin) and Katowice are very much a European matter which concerns us have already been made clear in moving terms by previous speakers. The fact that we Europeans in the European Community are still suffering from a disturbing inability to act politically has probably become immediately and depressingly apparent to us, particularly after yesterday morning. Anyone who comes from that part of Europe where at this very time people are struggling, starving, freezing, suffering and fearing for their freedom and self-determination, anyone who was born and grew up there, is particularly moved at the basic unanimity which has united this Parliament regardless of political persuasions this evening. Might I therefore, be permitted to make an observation which might appear nothing to do with politics. As I see it, the struggle for freedom and self-determination in Poland against a party dictatorship with outside support stems from three sources, i.e. one nation, the Polish nation, one faith and one hope, the European hope.

What now is our job as free Europeans? As I see it, it is our job to maintain and stimulate European hope which manifests itself in the names 'Walesa' and 'Solidarnosc', based on European solidarity. Only in this way can we renew and preserve the breath of freedom, even if this breath now has to be held for a time. Only in this way can we strengthen the capacity for patience which is so vital. And how can we effectively achieve these things? Certainly, one of the ways is by means of statements and in particular by a joint unanimous statement. However, this statement will hardly reach the people of Poland in good time. Far more effective from the point of view of strengthening hope and — as I see it at any rate — at least immediately effective is our personal help which comes from the heart but is given with the hand and can very well receive encouragement and support from the head. And how can we help? Very easily. We can give money to the charitable organizations, swiftly, in large quantities and repeatedly. Package after package to Polish addresses. We can give Polish addresses to everyone we know, and this is something which many of us, including people in this Parliament are in a position to do. This is a way of translating good intentions into practical help. It would be an immediately effective way of reaching the hearts of the people of Poland and this is what is important at the moment. We should personally prove ourselves as Europeans.

(Applause)

President. — I call Mr Møller.

Mr Møller. — (DA) Madam President, as we all know, in this situation, strong words will get us nowhere, since Europe is so obviously virtually powerless in this matter. Britain and France went to war on 3 September 1939 for the sake of Poland and in their student days, people sang 'Noch ist Polen nicht verloren' (Poland is not yet lost) and believed in what they were singing. However, when the war was over in 1945, Poland was forgotten and we in the West cannot beat our breasts and say that we stood up for it. Czechoslovakia was handed over to Hitler in Munich and Poland's fate was sealed during the second world war in order to bring it to an end. All in all this was understandable since war is the most loathsome thing imaginable. However, the million young people who have recently been demonstrating against strengthening the West should at this time bear in mind that the weakness of the West is being exploited time and time again — in Hungary in 1956, in Czechoslovakia in 1968 and now in Poland — with a view to weakening the cause of freedom. Every time the flower of freedom was about to blossom in Eastern Europe, it has been trampled under foot by military power. Ladies and gentlemen, the fate of Hungary, Czechoslovakia and Poland might one day also be our own fate, the fate of the free democracies. We are not strong enough to resist it. Our many young demonstrators include some who mainly think that we should be weaker, and I must say at this time that I obviously hear echoes from the past when I listened to a Mr von Habsburg, a Mr von Bismarck and a Mr Poniatowski discussing the fate of Poland. I have the feeling that division is now giving way to a common will and unity, and that European unity is perhaps not as bad as it would appear to be.

Naturally, we will give economic aid. However, we should first and foremost see to it that public opinion, which in spite of everything means something to those who are to decide Poland's fate in coming months, is firm, vital and strong that it has the backing of young people. We should turn those young people who nowadays are demonstrating for what the Soviet Union wants to demonstrate for what our Western democracies want, that is to say, freedom from dictatorship and the repression of human rights, regardless of the Eastern European country concerned.

I am speaking on behalf of one of Poland's neighbouring countries, a country which must prepare itself to receive tens of thousands of refugees from Poland and we have every intention of doing this. However, I am also speaking in the confidence that we will be able to mobilize the public opinion which is necessary if Europe's voice is to be heeded in the Kremlin, in Warsaw and in other places where the Communists are currently in power.

I should like to say, finally, that our weakness stems from the fact that we are not united when we are to adopt these motions for resolutions. Perhaps we might be able to agree on a compromise, but the single voice

which should be heard is not being heard because we have a Trojan horse in our midst. I have heard this evening the voices of people who believe and defend stories from Warsaw to the effect that this is merely an internal affair. We heard yesterday that Mr Berlinguer took a different view and the Italian Communist said something with which we can agree. However, the contribution by the French Communist this evening was not, in our view worthy of Europe. Whatever we do — and we fully realize that we cannot do all that much — let us at least give it such weight that it will not be the voice and spirit of Munich which is reborn in this Assembly and so that the Trojan horse will not be able to leave its mark on whatever we adopt. Even if our resolution only manages to affect opinions and feelings, it might nevertheless in the long run be significant for the history of Europe.

President. — I call Mr Efremidis.

Mr Efremidis. — (GR) Madam President, on behalf of the Communist Party of Greece I should like to express our deep concern at the recent events in Poland. Concern has also been expressed from other sides of the House at the breaking off of negotiations and the emergency measures adopted by the Polish Government. But who is responsible for this development? The Government of General Jaruzelski, which had exhausted the very last possibility of national conciliation? Has any EEC government succeeded in paying the unemployed their full wages and in accepting the genuine participation of the trade unions in State economic and social policy? Or perhaps it is the fault of the extremists and anti-socialist wing of Solidarity, which had undermined with its adventurist activities all the efforts to rescue the country from total collapse? And did not many of those who are now protesting give political, economic and moral support to these irresponsible elements? They hoped thus to overthrow socialism in Poland, irrespective of whether this would lead the country into chaos and civil war. We are aware, Madam President, that there are some Members of the House who cannot tolerate any form of emergency measures. But how is it that with regard to the Polish crisis such Members identify themselves with people like Habsburg and Poniatowski, who are deaf and dumb when it comes to the appeals of the people of Cyprus, Turkey, Ireland, Palestine and Latin America and who have this evening applauded the representatives of the Israeli Knesset, which has sanctioned by its vote the invasion and annexation of the Golan Heights? They fail to appreciate the fact that the only alternative to the current events is not a return to normality and national conciliation but chaos and disaster not only for Poland but perhaps also for European peace.

We Greek Communists, steadfast friends of the Polish people, are firmly behind their efforts to find a new way out of the dramatic crisis and to defend their

Efremidis

Socialist achievements with the participation of the workers. The interests of peace and security in Europe demand it. We are concerned at the efforts of imperialist circles to exploit the Polish crisis for a fresh escalation of the cold war and for attacks on workers' movements in our countries.

The European Parliament, Madam President, would be doing a disservice to the Polish people and to peace if a sense of responsibility were missing from its decisions this evening — even to the extent which this is or appears to be the case in the declaration by the foreign ministers of the Community. But we have our doubts, and for these reasons we shall abstain from voting.

President. — I call Mr Kallias.

Mr Kallias. — (GR) Madam President, it is a comforting and encouraging fact that this House is full this evening and all its Members are stirred to keen emotion when discussing the tragedy of the Polish people. The few minor differences of opinion which have arisen cannot alter the overall climate prevailing here this evening.

The whole of humanity is awaiting news from Poland with baited breath. Freedom is the spiritual and intellectual treasure of nations. Human rights ennoble man. Poland is at present sorely afflicted, and what is going on there is the confrontation between freedom and force. Those who are bravely carrying on the struggle, chiefly Polish workers with their eminent leader Lech Walesa, are the object of our concern and our responsible attention, and they also have our full solidarity and our undivided sympathy. They must be made aware of this. It is extremely satisfying that the political groups in this House yesterday condemned the force being used against the Polish people in their struggle. Perhaps the genuine and heartfelt solidarity of free Europe is of some comfort to the Poles. But more specifically they must also be given moral and material assistance.

We must also be circumspect with regard to the wording of our resolution. Our aim is not to satisfy ourselves, who are free consciences fortunate enough to be living in free Europe. Our aim is to satisfy and in particular to lend positive assistance to the Poles in their struggle. Our resolution must be worded with faith in freedom and with affection, admiration and solidarity towards the Polish people. Furthermore, we must make sure that we find a realistic way of helping the supreme effort of the Polish people. The tragedy of Poland must also awaken all those who believe in peace throughout the world. I definitely feel that we should adopt the resolution unanimously without creating any problems of wording.

Lastly, Madam President, I wonder whether the events in Poland are only a passing tragic occurrence or

whether they are the beginning of a better future as a result of the struggle initiated by the workers and students, a breakthrough enabling the breath of freedom to penetrate that noble country and the light of democracy to become visible. I pray that the latter will come about.

(Applause)

President. — I call Mr Romualdi.

Mr Romualdi. — (IT) Mr President, ladies and gentlemen, we also believe that there should be no interference in the internal affairs of a sovereign State, but although there is every point in Poland's remaining a sovereign State, there is at the moment every reason to doubt that this is in fact the case.

The events in Poland and the lack of accurate information suggests that the military regime currently oppressing the country is not just a brutal Polish military regime. There is another aspect to the issue and it is one which should concern not only the Poles themselves. Whether we like it or not, ladies and gentlemen, what is going on in Poland at the moment puts at stake not only the human rights and freedom of the Poles, but also our own.

The Communists are currently drawing a very clear verbal distinction between communism as it is implemented behind the Iron Curtain and their own brand of communism. Verbally, they have condemned in no uncertain terms — as, perhaps a little rashly, Mr Bangemann has pointed out — the events in Poland. However, the fact remains that it is very difficult to see how the Communists have contributed — and are contributing — towards consolidating the political and psychological freedom and independence of our European peoples. On the contrary, they have always paved the way and are continuing to do so — for making us weaker, for disarming us materially and spiritually and for the construction of a neutral Europe which can offer neither guarantee nor hope of freedom for the Poles or for the other peoples living behind the Iron Curtain, or even for our own countries and peoples.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Madame President, the Commission of the European Communities shares the deep concern of the vast majority of this House regarding the grave events in Poland. Our sympathy is with the people of Poland who are going through major trials and tribulations. We identify with the sense of outrage, shock and malaise which the European Parliament is feeling at this time.

Närjes

The Commission wholeheartedly concurs with the wish expressed by the Foreign Ministers of the European Community in London two days ago that the people of Poland will manage to solve their problems themselves and in a peaceful manner, thus making the way clear once more for the continuation and renewal of its historical process of reform. The Commission particularly shares the concern expressed in all quarters of this House regarding the suppression of civil rights in Poland and would recall, in this connection, the Final Act of Helsinki, Principle VII of which states that the participating States will promote and encourage the effective exercising of political, economic, social, cultural and other rights and freedoms which derive from the inherent dignity of the human person and are essential to his free and full development.

One of the States which signed this Final Act was Poland and it also applies to those currently in power.

Questions have been raised regarding efforts to support the people of Poland and to alleviate the extreme distress. Over the last few months, Parliament has repeatedly been informed regarding activities and technicalities in connection with our food aid to Poland which involves sales of agricultural products at special prices and loans granted by the Member States on special terms to help Poland bear its share of the cost. In addition, we decided at the end of November on free immediate aid to Poland in the form of 8 000 t beef worth about 10 million units of account. In budgetary terms the entire food aid to Poland, i.e. these two components taken together represents about 100 000 000 units of account which corresponds to a total trade volume of about 600 000 000 units of account since special prices were involved. The question of how soon the first and second batches were delivered has already been brought up in a previous debate. As you know, we too were unhappy about certain delays but I can inform you today that all deliveries under the first and second batches have now been made and that a large proportion of the third batch will be delivered by the end of the year.

Then there was the question of how we can check whether this food actually gets to the people of Poland. Here we must distinguish between the free aid and the products supplied at special prices. As regards the free supplies, the Polish authorities have given an undertaking that they will be used within Poland and not be re-exported. They have also undertaken to provide the Commission with details of the amounts distributed, the number of recipients, the places to which the products have been supplied and the methods of distribution on the basis of a list drawn up for this purpose by the Commission itself.

As regards the other foodstuffs supplied on special terms, Mr Haferkamp has already explained last September that the Community keeps checks on these products as long as they are within the Community

and can also check that they arrive at the appropriate destination. In addition, the Polish authorities have given their agreement that these products supplied under special terms are exclusively for internal consumption. If it is occasionally suggested in the press that a proportion of these products might be supplied to third countries, all I can say is that we do not at this stage have any information which would confirm this view.

It can safely be said, therefore, that in spite of the difficult economic and tax situation in all the Member States, the Community has nevertheless done at least something to alleviate the serious economic and human problems in Poland, and the Commission joins the Council in its determination to continue the food aid decided on in its present form.

As for the future, it would appear in the light of the present situation in Poland that further decisions on food will be called for in 1982. It would be premature, in view of the unclear reports, if the Commission were at this stage to make any predictions as to when these decisions would be taken or what form they would take, but I should like to make it quite clear that we hope that there will soon be a peaceful solution in Poland which will not only permit a reconstruction of the ruined economy but also and above all the immediate re-establishment of the lost freedoms and basic rights of the European nation of Poland which has been going through such trials.

(Applause)

President. — I call Mrs Bonino.

Mrs Bonino. — *(IT)* Madame President, ladies and gentlemen, Warsaw radio has just announced that seven miners have been killed in clashes with the police. I think this news adds another element we have to think about. There is no longer any way, economically or financially, we can collaborate with that renegade Jaruzelski. This must be clearly stated in the motion for a resolution.

(Applause)

President. — Thank you, Mrs Bonino, although if what you say is true it is a terrible piece of news.

The debate is closed.

(Parliament adopted the joint resolution)

19. Natural disaster in Denmark

President. — The next item is the joint debate on three motions for resolutions:

President

- motion for a resolution (Doc. 1-834/81), tabled by Mr Nyborg on behalf of the Group of European Progressive Democrats, on emergency aid for areas afflicted by the widespread storm and flood damage in Denmark caused by the storm of 25 November 1981;
- motion for a resolution (Doc. 1-875/81), tabled by Mrs Nielsen on behalf of the Liberal and Democratic Group, on special aid for the people of the western coast of Jutland and northern Germany affected by the storm of 24 November 1981;
- motion for a resolution (Doc. 1-882/81), tabled by Mr Kirk on behalf of the European Democratic Group, on emergency aid for areas in Denmark and northern Germany struck by the hurricane on 25 November 1981.

I call Mr Nyborg.

Mr Nyborg. — (DA) Madam President, it is something of an anticlimax to have to turn to the more everyday things after a long debate on the situation in Poland, but on 25 November we had one of the worst storms this century, which caused extremely extensive wind and seawater damage in Denmark. The worst-hit region was West Jutland. After I had seen for myself how extensive the damage was and spoken with many of those affected, I sent a telex on 29 November to Mr Dalsager, the Commissioner responsible for agriculture, and another telex to Mr Narjes, who will probably — and hopefully — be the Commissioner responsible for coast protection in the Community. I asked the Commission to grant Denmark emergency disaster aid, and it is with great pleasure that I can today thank the Commission for reacting extremely rapidly and recognizing the existence of the problem, for yesterday morning it was decided to grant Denmark emergency aid of half a million ECU. We know that the disaster fund available to the Commission is by no means inexhaustible, so we should like to express our thanks.

When Parliament was discussing Mr Hume's report on coastal erosion in the Community last June, I pointed out that it was illogical to expect the usually thinly populated and rather poor regions to bear the burden of coastal protection, and I was pleased to hear Mr Narjes say on that occasion that he was very much in favour of Community financial participation in coastal protection projects. I therefore hope that the Commission will help in repairing the most essential and urgent shortcomings in dikes and groynes, as well as joining in a more long-term improvement of coastal defences not only in Denmark but in the whole of the Community, with a view to establishing a genuine coastal protection policy.

For the farmers whose land has been flooded by the sea, there is not only the immediate damage to buildings and crops but also incalculable long-term consequences because their land now contains so much salt

that it is very uncertain when they will be able to cultivate these fields again, and for these people money will have to be found for longer-term aid programmes in addition to the immediate disaster aid.

The situation in Danish forestry is disastrous. The timber in the trees brought down or broken amounts to about two million cubic metres, representing a value of about 65 million ECU. Through rapid collection and cutting up of the damaged trees, it is hoped that this sum can be brought down to about 25 million ECU. I would suggest that Mr Dalsager follow this process and try to ensure that funds are made available for the investment which will be needed to reestablish forests on a scale which will meet the needs of the Community, for we all know that there is a shortage of wood, and this shortage is becoming more and more acute. It is therefore absolutely essential that a start be made on reafforestation as soon as possible.

Let me once more express my thanks to the Commission and ask the Members to support the motions for resolutions.

President. — I call Mrs Nielsen.

Mrs Tove Nielsen. — (DA) Madam President, Parliament has frequently had occasion to express its concern at disasters which have occurred in far-off places, and we have also shown our concern when parts of the Community were affected. However, as a Dane, I think I can say that we always thought we would fortunately be spared this kind of thing. After what happened in Denmark and the north of Germany in the last week of November we must say that we humans are helpless when the forces of nature show their real strength.

To those Members who are of the opinion that it is not for us Danes to ask for aid for people who are faced with a disastrous situation, I would say that for the individual people and families, regardless of whether they are from the north or south of the Community or from elsewhere in the world, the disaster and the misfortune are the same everywhere when one looks on helplessly as one's home is destroyed and can do nothing as the water destroys one's whole existence, one's whole future. The Members must appreciate that there are a lot of people in Denmark and the north of Germany who are faced with a situation in which they simply do not know where to start.

I was therefore one of the first to call for this debate and to make an application to the President of the Commission, Mr Thorn, and I should like to express my pleasure at the Commission's prompt reaction. Prompt aid is what we need. I should also like to thank the Commission for the promise it gave yesterday of economic aid, but I might add that it is possible that

Nielsen

not all the figures were available as to the scale of the disaster. After all, talks are currently going on in Denmark on the formation of a new government, and it may well be that, once the political situation in Denmark has stabilized, more precise figures will be made available. I appeal to the Commission to appreciate that there are also a number of long-term problems which will have to be solved. Just think of the many people who have lost their homes and workplaces. What we need to do is to get some pilot projects going, so that we can train and retrain these people, and as a good liberal I might point out that this could be an opportunity to give people loans at an interest rate lower than the one we have in Denmark, where it has been far too high for far too long as a result of a socialist administration. We should like to see people being helped to help themselves, and I would ask the Commission to be so good as to think of us in future as well.

Thanks for the aid we have already received. On behalf of the Liberal Group I can say that we are pleased to see three motions on the same subject. We can support all three because they exactly the same thing in different words: that we want to help those whom the forces of nature have placed in an extremely unfortunate situation.

President. — I call Mr Møller.

Mr Møller. — (DA) Madam President, Mr Kirk unfortunately had to drive to Denmark today; because of the weather he could not wait until tomorrow, since there was a danger he might otherwise not be able to leave here.

Mrs Tove Nielsen and Mr Nyborg have made such excellent contributions that there is little I can add. In many respects and in many ways we have shown that we in Europe sympathize with those who have been hit by natural disasters, and on 25 November Denmark was hit by a natural disaster which is not covered by normal insurances, namely a flood which inundated and destroyed many houses. The financial aid which the Commission has now approved — and I should like to thank it for acting so rapidly, for quick help is double help — can be used to repair the direct flood damage. On top of that, however, everything will have to be reconstructed in that part of West Jutland, and measures will have to be taken to ensure protection against future disasters of a similar nature, to which Denmark has so frequently been subjected when the North Sea and the North Atlantic send their forces down against the coast of West Jutland.

I would therefore ask the Commission to consider using the Regional Fund to provide aid to help Denmark to erect the coastal defences it needs in the marshlands of West Jutland, since the present defences are apparently inadequate when nature exerts all the force we know it is capable of.

Madam President, I intend to support all three motions for resolutions and hope that one of them will find favour with Parliament and will subsequently be implemented by the Commission in the intended sense. At the same time I should again like to thank the Commission for taking such prompt action to provide aid.

President. — I call Mr Fich.

Mr Fich. — (DA) Madam President, I must say I feel this is a complete anticlimax after the debate we had on Poland. We have moved from important matters to something which, while it is naturally extremely serious for the local population, is of lesser importance when viewed in a broader context, and I feel very uneasy at the shift which has taken place in our debates this evening.

I can be very brief, since as far as the EEC is concerned the matter is actually closed. The Commission decided yesterday to give half a million units of account — about 3·9 million Danish kroner — to help Denmark solve these problems. This means that there is now no longer any need for urgent debate, and I fail to understand why, in view of this, the respective authors did not immediately withdraw their motions.

There can of course be no hiding the fact that there is a serious situation with regard to the people in northern Germany and Denmark who have been hit by this disaster, and it has been stated quite plainly by the social-democratic government and others that the damage suffered by the local population will naturally be covered by the Danish authorities and, perhaps, by the insurance companies — and now we see that they will also be partly covered by a grant from the EEC, for which we are naturally grateful.

An assertion by one of the previous speakers that it was the fault of the Social Democrats that the disaster had been so serious, simply because we have such a high interest rate, is of course totally unfounded, and I must reject any such allegation.

However, now that we have got this half a million units of account we might as well ask for more — and at this point I would advise my Danish colleagues to show a certain restraint. Denmark and northern Germany are two of the richest regions in the Community, and there are limits to how grossly we can take advantage of this storm to ask for money from the EEC. The local population has received an assurance that they will be covered, and I do not think the Danish authorities should ruthlessly exploit the various items of the EEC budget.

As I said, I think it is a mistake to have these three motions on the agenda, since there is no need for urgency. At a suitable moment we can continue the

Fich

debate on coastal defences against the background of regional policy and other considerations, but I consider it totally misplaced to make this out to be a matter for urgent debate.

Having said that, we shall be voting in favour, but we really feel that we are debating and voting on something which has been overtaken by events.

President. — I call Mr von Hassel.

Mr von Hassel. — (DE) Madam President, I should first of all like to thank the three Danish colleagues who have tabled these motions for resolutions and have also just described the situation as it affects us in North Germany, Denmark's neighbour on the North Sea. However, I do not quite understand how a Danish colleague could doubt the urgency of this subject since these events took place only three weeks ago and it is quite obvious that we should draw the appropriate conclusions.

If we were to withdraw a request for urgency every time the Commission acted in the meantime and provided half a million units of account, this would have a curious effect on this Parliament, since it would be possible to nip a debate in the bud if the Commission had already made a certain amount available.

I have, I think, a certain right to speak on his subject since I come from up there too, where I was the head of the government for many years. I myself stood on the dykes during the flood of 1962 and know what we are talking about. I should like to say to Mr Nyborg that I too feel it would be a good idea for the Commission to draw up a general coastal protection plan, since matters are not likely to get easier but more difficult in the future in view of the way in which the coastline is developing in these areas — and I am referring here to the entire area from Holland along the whole North German coast as far as Denmark.

Twenty-eight years ago in 1953, when there was a major flood in Holland, we from the Federal Republic, who had not been affected, went to learn from the Dutch and to draw the appropriate conclusions with the result that nine years later the flood of the century in 1962 claimed no fatal victims whatsoever because of the measures we had taken to protect persons and livestock. Fifteen years after that, there was another, even worse flood which meant that we had to draw new conclusions.

It is you in Denmark, Mrs Nielsen, Mr Møller and Mr Nyborg, who have in the very recent past, i.e. this year and last year, spent a great deal on protecting your coastline against the North Sea immediately to the north of the German/Danish border and jointly with us, who have continued the dyke building in the southerly direction.

I should therefore like to say to the Commission that we are not asking other people for something we are not prepared to do ourselves. If we merely take the example of what my Federal *Land* has done since the Holland disaster, we, as a poor *Land*, with the aid of the Federation, have spent DM 1 700 million. Thus, we have done something out of our own pockets and would ask the Commission to do its bit too. The Danes, who have suffered worse than we in Germany, cannot be satisfied with a mere half million ECU. My request is that this application should be granted and that some thought should be given to our unchanging proposal that the Regional Fund should be looked into from this point of view. This should also provide a point of departure for a general coastal protection plan to cover the endangered coasts of Northern Europe.

President. — I call Sir Fred Warner.

Sir Fred Warner. — Madam President, that is a sad story we have heard tonight and our Danish and German friends can be sure that they have our sympathy. But may I say that storms are no respecters of political frontiers.

In the south-west of England we have also suffered severe damage. Of course we expect to have to put up with storms, with wind, with hurricanes, but in the last few days areas of England which have not seen the sea for centuries have once again been invaded by the sea and now thousands of hectares of fertile farming land are under two or three feet of water. The damage is enormous and many people are homeless.

It is for this reason that four of us have appealed to the Commission to consider us when they are dealing with the effects of the recent storms and to consider our part of the world. We do not see the Commissioners responsible here tonight, but I am sure that whatever the pressure on their funds, they will wish to send representatives to come and see exactly how serious is the damage in a part of the Community where there has been little report of what has been going on.

President. — I call Mrs Boserup.

Mrs Boserup. — (DA) Madam President, I speak here on behalf of voters who believe that Denmark could get on perfectly well without being a member of the EEC. It is therefore only logical that I believe that we could compensate those who have suffered damage in West Jutland without having to ask the Commission for help. I regard it simply as money-grabbing that the representatives of parties who are constantly filling the Danish newspapers with articles saying how much money Denmark gets through being a Member State of the EEC now come running to ask for a few pence

Boserup

to help perform a task which, with all due respect, we could perfectly well perform ourselves.

President. — I call Mr Bangemann.

Mr Bangemann. — (DE) Madam President, I had not actually intended to speak, but the speech by our Danish colleagues from the Socialist Group had already set me thinking and the point just made by Mrs Boserup calls, I think, for an answer. No one in this House or in the European Community thinks that Denmark would be incapable of dealing with this damage and helping the victims on its own. Any country of the Community could do this. If the United Kingdom is affected it could obviously do this too, as could the Netherlands and Germany. This is quite obvious.

However, one should not disregard the fact that this Community has set up a Fund as a symbol of solidarity, to provide aid to the citizens of this Community when they are hit by a natural disaster. I should think that the two colleagues from groups to whom the word 'solidarity' should be very familiar should finally understand the spirit which brings us to help a Dane when he is affected and which, I hope, will also lead Danish Communists and Danish Socialists to help us when we are affected, quite regardless of political persuasion or nationality.

We would like to be helped by a Dane, even if we can help ourselves, since this would give us the feeling of living in a larger unit in which more help is possible just when it is required, and I should be very grateful to Mrs Boserup if she could tell that to her compatriots.

I have no wish to change your political views, — and we would not be able to anyway, — but you will surely have noticed during the whole time you have been here that you are a Member of a Parliament in which the will to solidarity is very much in evidence not because we are trying to make out that you cannot help yourselves, but because you and I are both Europeans.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Madam President, an exceptionally violent hurricane hit the western coast of the Jutland Peninsular and North Germany on 25 November. The Commission was officially informed without delay by Denmark's permanent representative on the nature and extent of the damage. A study was immediately carried out and 21 days later, on 16 December, emergency aid of 500 000 units of account was granted for the benefit of the population affected. So far, no decision has been made regarding similar aid to the Federal Republic of Germany.

This aid will be provided as soon as technically feasible. It is customary for the Commission to hold joint talks with the national authorities on the most effective practical application of the aid which is primarily aimed at protecting or re-establishing the livelihoods of the persons involved.

I might add, with a view to avoiding misunderstandings as regards the nature of this aid, that it is not intended for the reconstruction of coastal protection. It is not intended to take the place of insurance payments, but only as aid to people affected by disaster — nor would it be possible to do more with the limited funds available.

The other, further-reaching point, i.e. the question of whether coastal protection might be covered by the Regional Fund or the agricultural structural fund — perhaps in connection with a general European coastal protection initiative — has as yet not been decided. It depends, amongst other things, on the new overall approach to the Regional Fund and the agricultural fund which may be developed in connection with implementation of the Mandate of 30 May.

President. — The joint debate is closed.

(Parliament adopted successively the three resolutions)

20. Energy prices in the horticultural sector

President. — The next item is the motion for a resolution (Doc. 1-814/81) by Mrs Walz and others on energy prices in the horticultural sector.

I call Mrs Walz.

Mrs Walz. — (DE) Madam President, we are all aware of the situation as regards the distortion of competition resulting from the subsidized gas prices for Dutch horticulturalists. This sector does not enjoy a similar privilege in other Member States and this directly results in distortion of competition.

However, it also leads to a wastage of the Community's natural gas, supplies of which are limited. As we know, there are further natural gas resources outside the Community, but we also know that by using natural gas for these purposes in preference to other forms of energy, we are literally gobbling up our supplies. This fact alone demonstrates the urgency of our motion.

It is also a well known fact that the Commission has determined the practices to be incompatible with the provisions of the EEC Treaty regarding competition and it has informed the Dutch Government of its find-

Walz

ings in this respect and asked them to state, by 1 January 1982, what measures they intend to take to put an end to these practices.

However, this is not enough, since a great many holdings in the neighbouring countries have already had to shut down and there will be more closures in 1982. If the Commission had called on the Dutch Government to curtail these practices by 1 January 1982, this motion for a resolution would have been superfluous.

It is indefensible that the Commission should have given the Dutch Government up to 1 October to put an end to this matter, i.e. that it should have allowed a transitional period of a whole year, which is far too long if, as the Commission is always stressing, we want to save energy. We therefore call for immediate curtailment of these practices in the interest of all the other Member States, and urge this Parliament to adopt our motion for a resolution.

(Applause)

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

Mr Bocklet. — *(DE)* Madam President, the problem of subsidized gas prices for Dutch horticulturalists has existed since the middle of the seventies. With rising energy prices, the problem has become more acute from year to year and has led to an ever-increasing disparity between the energy price levels for horticulture in the Netherlands and the rest of the Member States.

The advantage which Dutch glass-house growers enjoy currently represents some DM 200 million per year and constitutes a threat to the existence of thousands of agricultural holdings. These are the consequences of the infringement of principles which are fundamental if the common market is to work. In the absence of equal conditions of competition a common market is a farce in which everyone is fighting his own corner and the sector to succeed if the one which is best able to mobilize its own government or Brussels for its own ends.

Naturally, every government will endeavour to protect the economy of its country against disadvantages and the cold blast of competition to which businesses can be exposed in a free market, particularly during a period of difficult economic problems. For this reason, the main issue in the case of the subsidized gas prices, for example, is to protect a section of the free market and competition and to prevent, in one area at least, the Member States of our Community falling back more and more on blatant protectionism.

In view of the many years for which this problem has existed we feel that immediate measures are called for,

and it is up to the Commission to take action here. The fact that we are still having to discuss this problem today is due to the dilatoriness of the Commission which, in recent years has degenerated more and more into a mere secretariat for the Council and has neglected its task as guardian and driving force of the Community. The problem of the Dutch subsidies for glass-house horticulture is not a specifically Dutch problem — I should like to stress this point — but the problem of the Commission, which is now called upon to eliminate distortions of competition without delay and — I should like to stress — this counts for every Member State. The Commission will therefore have the full backing of this House if it deals decisively and swiftly with any infringements of the conditions of competition regardless of the Member State involved. I therefore urge you to support the motion for a resolution.

President. — I call the European Democratic Group.

Mr Beazley. — Madam President, I speak for the glass-house growers in Bedfordshire and North Hertfordshire, on behalf of my group, and as this House's rapporteur for competition. I have no time to discuss past history since 1977 when the Dutch Government first agreed to bring its gas prices for horticulture into line by 1979. Everyone here in this Parliament and the Commission, and no doubt in the Council, is heartily sick of hearing these details recited without any action being taken to correct the position. I would only say that the longer it goes on the greater is the gap between the Dutch subsidized gas prices and arms-length prices based on oil or coal or gas in other Community markets.

So my resolution clearly tells the Commission what it is accused of — dilatory and ineffectual handling of the problem — and the Dutch Government of procrastination and flagrant flouting of Community rules. These words are not too hard and the language is not too strong for a rapporteur who has spent nearly six months in study of the Community's competition policy as conceived in theory and as implemented in practice.

My report said that the competition policy cannot just exist in a vacuum, and that Member States' governments are the main cause of distortions in the common market. How many resolutions do we have to have — and I would like to say that we have got 218 signatures and more on Mr Welsh's Resolution No 794/81 — how many demonstrations in Brussels, how many urgent debates and how many horticulturalists have to go broke before action is taken?

Now the choice before the Commission is a very simple one, though its execution is very difficult. The Commissioner must either get the Dutch Government to agree to stopping its gas price differential by

Beazley

1 January 1982, and not by 1 October 1982, as the latter date is too late to stop mass bankruptcies in other Member States, or he must propose to this House, and to the Council, that the necessary compensating payments to northern horticulturalists outside Holland must be paid for out of the Community budget from the same date. If not, he will make the Commission responsible for ruining all the northern European horticulturalists outside Holland, and furthermore for the reason that the Community competition policy has not been implemented in the necessary time.

President. — I call Mr Louwes.

Mr Louwes. — (NL) Madam President, as far as I am concerned, there is hardly any need to go into this matter again except to make one single point. The motion for a resolution currently before us adds nothing to what has already been said on this subject, like its many predecessors, totally disregards the fact that special arrangements with respect to horticulture are also in force elsewhere and, finally, stipulates unrealistic deadlines. It would appear that many members of this Parliament are trying to victimize the Dutch horticultural sector, which is so active and dynamic, and I therefore reject the allegations made by my colleagues, which for the most part were merely empty rhetoric, particularly as they were scarcely if at all backed up.

I certainly intend to vote against this motion for a resolution, Madam President.

President. — I call Mr Eisma.

Mr Eisma. — (NL) Everyone is in agreement regarding the adjustment of gas prices for horticulturalists. The question is, quite simply, how long this adjustment should take. My group also regards distortion of competition as a bad thing, and we have no wish, therefore, to whitewash this differential in gas prices. What we would like, however, would be for those who tabled this motion and the Members of this Parliament as a whole to take other factors into consideration when judging this issue. We might, therefore, consider the statement made in the Times of 21 October to the effect that the British Government had granted £ 5.5 million to subsidize oil for use in horticulture in the United Kingdom and that it intended to increase this amount by a further £ 4 million. And what is the situation in Belgium as regards subsidized oil for horticulture? And has not the German Government introduced tax measures in the interest of horticulturalists? Does the Commission really think that measures liable to distort competition are unknown in this sector elsewhere? Have those members who have tabled this motion for a resolution taken account of the fact that there is no coherent

social policy and thus the minimum wage and the social insurance arrangements vary drastically from one country of the Community to another? As Europeans, Madam President, we are not claiming that the situation in the Netherlands is a good thing but we would nevertheless like to place it in a broader perspective, as I have just done, and since those responsible for tabling this motion for a resolution failed to do the same, I intend to abstain.

President. — I call Mr Van Minnen.

Mr Van Minnen. — (NL) Madam President, I should merely like to draw attention to a point against this resolution which has not so far been mentioned. We should, I think, oppose this resolution since the way in which this proposed adjustment of the gas price, which the Dutch Government is dealing with, will really distort competition is by making hundreds of small Dutch glass-house growers go bankrupt, and this is something I can have no part in. Those hundreds of small horticulturalists in the Netherlands whom you want to let go bankrupt perhaps happen to produce a superior quality and you will ruin them by forcing them to have to pay insupportably high prices for their energy. Madam President, it is not perhaps generally known in this Parliament that a few years ago the Dutch Government put pressure on these very horticulturalists to change over from the coal and oil they had been using hitherto to natural gas on the grounds that it was so good and so economical. That, Madam President, is a point which has gone by the board in this so-called European context, which is why we should not adopt this resolution.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Madame President, this Parliament has already frequently discussed the special terms accorded to Dutch horticulture and both Parliament and the Commission agree that this special tariff is incompatible with the common market. The Commission therefore took a decision addressed to the Netherlands on 15 December 1981 with a view to eliminating this incompatibility by bringing the horticultural tariff in line with the industrial tariff. In addition, the difference between these two tariffs may not be increased to exceed the difference on 1 December. As regards the alignment of the horticultural and industrial tariffs, account must be taken of the fact that the tariff between the Gasunie and the Landbouwschap is governed by a contract and a certain amount of time is required for a contract of this kind to be altered. Originally, the Gasunie and Landbouwschap had considered bringing the tariffs into line by 1984. This deadline, however, was brought forward considerably by the Commission. In addition, the Commission does not, in view of the complicated legal situation, regard

Narjes

the charge that it has failed to be sufficiently firm in this matter as justified. Furthermore, in accordance with the Commission decision of 15 December, the Netherlands must, by 15 January 1982, provide the Commission with precise details of the measures they have introduced on the basis of this decision. Moreover, the Council of Finance Ministers has for some time now been discussing a Commission Directive on the elimination of all energy subsidies, particularly oil subsidies in agriculture, and I would also like to ask the speakers who have predicted 'mass bankruptcies' as a consequence of this decision not coming into force until the third quarter of 1982, to provide the Commission with specific documents in support of this statement.

President. — The debate is closed.

(Parliament adopted the resolution)

21. *Situation in southern Africa*

President. — The next item is the motion for a resolution (Doc. 1-874/81), tabled by Mr Glinne and others on behalf of the Socialist Group, on the situation in southern Africa.

I call Mr Glinne.

Mr Glinne. — *(FR)* I shall be very brief, Madam President: I do not think this is the time for a lot of words to say we have to take a consistent line on all the problems regarding the respect of human rights, wherever they may be violated in this world of ours.

For several months now the South African Government has been perpetrating acts which really must be given their rightful name, i.e. acts of war against neighbouring States. For this reason, and indeed since the November part-session, we have tried to bear in mind the most recent events. There have been fresh incursions into Angola by South African troops, and then there has been this shady business in the Seychelles.

Another thing is that at the last meeting of the Lomé Convention — the parliamentary assembly and the joint committee — the text which it is my privilege to present to Parliament at this moment was adopted by the meeting albeit, unfortunately, with some reluctance — and indeed I am inclined to say a certain degree of artistic fuzziness — on the part of some of the participants. In the circumstances, with the planned departure of a European Parliament delegation to Zimbabwe just around the corner, and at a time when we really have to do something about the fact-finding mission which the Consultative Assembly

has decided to send and which is mentioned in paragraph 6 of the motion for a resolution, we feel there is a real need for clarification. This is the actual political aim of the text.

Of course, we have to promote non-alignment throughout southern Africa and the Community has to be encouraged to step up the positive role it has sometimes played, especially at the recent Moquito conference, by continuing to adopt a watchful stance when it comes to unequivocal political condemnation of repeated and persistent acts of war perpetrated by the South African Government.

President. — I call the Communist and Allies Group.

Mrs Baduel Glorioso. — *(FR)* Madam President, I quickly want to say that the Communist and Allies Group endorses the motion for a resolution by Mr Glinne and others particularly in view of the urgency and consistency of the motion. The decisions have already been taken in any case, decisions which willingly come from all the pan-African and ACP countries. These are decisions which we supported. We should also adopt a credible position when certain economic interests are at stake. If we do not, we shall have a hard job preventing the third world from believing that the Europeans have three languages, instead of just using one, the language of truth. I supported this resolution because I regard it as urgent. I think that Parliament has everything to gain by clearly endorsing the positions which have already been taken by the ACP countries.

President. — I call Sir James Scott-Hopkins on a point of order.

Sir James Scott-Hopkins. — This is partly a point of order, Madam President, because I am a little bewildered by what the honourable gentleman has just done. As he knows full well, there is a report, of which I am the author, coming before the Political Affairs Committee and dealing with exactly these matters of Southern Africa and the problems of Namibia and the South African involvement in it. And that is coming before the Political Affairs Committee in their first meeting in January. And I hope it will come before the whole House, here on the floor of the House, within a very short period of time after that. That is one point, Madam President — a point of order. Therefore it does seem to me a little odd that this should be done.

The second point is concerning the fact that it is already arranged, and I had a report from the Quaestors just recently — this morning, for instance — that the delegation which is going out to Zimbabwe early next year is going to visit the frontline States. This has already been arranged and agreed. They are going to have a pre-visit and an after-visit. They are going to

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three front-line States before, and they are going elsewhere afterwards. And so it seems that the whole thing is just a little bit confused. I do not quite understand why the honourable gentleman has put this particular motion down and what he hopes to achieve by it. Because, in point of fact, the ACP countries and the Lomé Convention, when they met, passed a resolution. There is no need to retable it here. I do not understand quite what it is all about. But it has all been dealt with by this House in the normal course of this House's business — on the floor of the House, as far as southern Africa is concerned — and as far as visits are concerned, they are all already arranged and agreed. And the honourable Members who are going to go on it know who they are. And so, Madam President, I really do not quite understand what this is all about and why they are trying to do it. I really don't. And so I really do believe that this is completely out of order . . .

Mrs Wieczorek-Zeul. — You are filibustering!

Sir James Scott-Hopkins. — . . . and if the honourable lady wishes to interrupt me, I will willingly give way to her: if she wishes to.

(Laughter)

Obviously, this is the normal form that we use in the House of Commons.

(Further interruptions)

Do you wish to interrupt me, Madam, from the Communist benches? If you wish to interrupt me, I will willingly give way to you.

I am not trying to filibuster. No, indeed I am not! How could you suggest such a thing? You know full well I am not!

(Laughter)

President. — Sir James, your group has already exceeded its speaking time by ten minutes this evening.

Sir James Scott-Hopkins. — Without my glasses I cannot even see what the time is, so I have no idea what it is.

(Laughter)

President. — The debate is closed.

(Parliament adopted the resolution)

I call Lady Elles.

Lady Elles. — Madam President, in view of the hilarity with which we have voted on such an important matter, I am very sorry that we had to take a decision before hearing the valuable views of the Commission. I think this is the first time that the House has had to vote on a motion of urgency without the Commissioner being given time to tell us his views and what we should be doing. And I would suggest, therefore, that we were really out of time by the time we voted.

President. — Lady Elles, this matter was discussed and in any case it has been referred to the Committee on the Rules of Procedure and Petitions. We have to know what we are supposed to do when start considering a report without having the vote. On the last occasion it was decided we should vote. Be that as it may, the Committee on the Rules of Procedure and Petitions has been asked for a ruling.

Proceedings must now come to a close. I should like to take this opportunity of thanking everyone who has taken part in this sitting, especially the staff.

(The sitting was closed at 12.05 a.m.)¹

¹ *Agenda for next sitting: see Minutes.*

*ANNEX**Opinion of the Committee on Budgets on the amendments*

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IN THE CHAIR: MR DANKERT

Vice-President

(The sitting opened at 9 a.m.)

President. — I call Mr Purvis.

Mr Purvis. — Mr President, before you deal with the minutes for yesterday, I wonder if I could ask you to arrange with the Parliament services to have last night's resolution on Poland translated into Polish, so they can be distributed to Poles both in our own countries and in Poland.

(Applause)

President. — Mr Purvis, I cannot promise you that that shall be done immediately, because we have no

Polish translators; but we will see to it that it is done as rapidly as possible.

I call Mr Fanti.

Mr Fanti. — *(IT)* Mr President, yesterday I was unwilling to disrupt the discussion on the events in Poland for the sake of making a personal statement, but the ignoble attack directed at me by a Member of this Parliament calls for a brief explanation. I wish to inform you, Mr President, and Parliament as a whole that when I deserted from the Fascist army, where I found myself at the age of 18 as a result of conscription, I did not take only my coat away with me — as was said yesterday — but I took other things as well, and above all my gun. This is the way I began to make my contribution to the struggle against the Fascists, to the Resistance. This is also the way I began to be a Communist. I wish this declaration to be entered in the record.

Fanti

(Applause)

President. — Mr Fanti, I take note of your statement, which will, of course, figure in the report of proceedings.¹

1. Application of the Rules of Procedure

President. — At its meetings of 25 and 26 May 1981, the Committee on the Rules of Procedure and Petitions gave its interpretation of certain provisions of the Rules of Procedure.²

Unless these interpretations are contested, they will be deemed to have been adopted.

I call Mr von der Vring.

Mr von der Vring. — (DE) Mr President, you have just said very quickly that the Committee on the Rules of Procedure and Petitions has decided on a number of interpretations and asked whether there were any objections. If not, these interpretations would stand adopted.

As I have not seen these interpretations and the procedure is too quick for my liking, I formally object, although I do not know what I am objecting to.

I request that my objection be placed on record.

President. — Mr von der Vring, your concern is a little premature: this interpretation will be included in the Minutes, and if you then have any objections to it, you can express them. You have accordingly not yet given your approval to anything.

I call Mr Muntingh.

Mr Muntingh. — (NL) Mr President, in the lobby of the IPE building there is at the moment an exhibition of ecological cartography in Europe. It is an extremely clear and neatly arranged display, providing very concise and clear information on regional planning in Europe. May I recommend all Members to visit this exhibition if they have an opportunity?

¹ For the items relating to the Minutes and to Documents received, see the Minutes of Proceedings of this sitting.

² See *ibid.*

President. — Mr Muntingh, you have already done so. Strictly speaking, you may not do so, since this has nothing to do with the order of business.³

(Laughter)

2. Votes

President. — The next item comprises the votes on motions for resolutions on which the debate is closed.⁴

We begin with the Antoniozzi report on the rôle of Parliament in its relations with the European Council (Doc. 1-739/81).

(...)

Second indent of the preamble: Amendment No 3

The view is taken that this amendment is primarily of a linguistic nature: some versions are in need of improvement, while others are not. Does the House agree with me that we should modify the wording of the motion in accordance with the amendment so that there is no need to vote upon it?

I call Mr Antoniozzi.

Mr Antoniozzi, rapporteur. — (IT) Mr President, I am in favour of the amendment, because the phrase 'at the level' seems to me to be more exact. Therefore I am ready to accept the amendment, which involves more than mere linguistic considerations.

(...)

Third indent of the preamble: Amendment No 4

Mr Antoniozzi, rapporteur. — (IT) The 'experiences' spoken of in this amendment have not always been 'disappointing': they have been — as I said when presenting the report — sometimes positive, sometimes negative. For this reason I am against the amendment.

(...)

After the third indent: Amendment No 5

³ For items concerning Petitions, Appropriations, Procedure without report, Reference to committee and Entries in the Register provided for under Rule 49, see *ibid.*

⁴ The Report of Proceedings reproduces only those phases of the voting which gave rise to interventions from the floor. For details of the same, the reader is referred to the Minutes.

Mr Antoniozzi, rapporteur. — (IT) Mr President, the idea expressed here is already contained in paragraph 1 of the motion for a resolution. I am therefore against making changes which would be superfluous at this point.

(...)

Fourth indent of the preamble: Amendment No 6

Mr Antoniozzi, rapporteur. — (IT) This idea, though differently worded, is already contained in paragraph 4. It is therefore to be rejected.

(...)

Paragraph 1: Amendments Nos 13 and 7

Mr Antoniozzi, rapporteur. — (IT) Here too, Mr President, I am opposed, since the idea is conveyed in the explanatory statement and in paragraph 1 of the motion for a resolution.

(...)

After paragraph 1: Amendment No 8

Mr Antoniozzi, rapporteur. — (IT) I am against this amendment, Mr President, since the idea is already contained in the explanatory statement.

(...)

Paragraph 2: Amendment No 9

Mr Antoniozzi, rapporteur. — (IT) I am against this amendment, Mr President, because its point is already conveyed in paragraph 2 of the motion for a resolution.

(...)

Paragraph 3: Amendments Nos 15 and 10

Mr Antoniozzi, rapporteur. — (IT) I am against it, Mr President, since this amendment — whose content is moreover repeated in the motion for a resolution — deals with minor details. Furthermore, the text as it now stands was agreed upon in committee.

(...)

After paragraph 4: Amendments Nos 1 and 2

Mr Antoniozzi, rapporteur. — (IT) Mr President, the Ferri amendment was to have supplemented paragraph 4, which has now been deleted. In connection

with this amendment, it should be said that we are all in favour of seeing the problem of the seat finally settled.

I should like to ask Mr Fergusson whether he considers that this particular subject can be appropriately raised in a resolution dealing with relations between the European Council and the European Parliament. In my view, the recommendation concerning a decision on the question of the seat would be better placed in a resolution tabled for this purpose.

I am therefore in favour of the Ferri amendment and opposed to the Fergusson amendment.¹

(...)

President. — I can now give the floor for explanations of vote.

Mr Hänsch. — (DE) Mr President, on behalf of a number of my colleagues I should like to give an explanation of vote on the Antoniozzi report.

We appreciate the rapporteur's efforts to cover relations between the European Parliament and the European Council, but despite the amendments that have been made to it, the report remains incoherent and too imprecise. Although I welcome the rapporteur's intention to clarify relations between the Council and Parliament and also the pro-European slant of the report, I am convinced that Parliament must be sufficiently precise and firm in its demands if it is to improve relations between the organs of the Community.

I do not believe that enough has been done along these lines, and I and some of my colleagues shall therefore abstain in the vote.

Mr Radoux. — (FR) Mr President, I for my part would not wish Mr Antoniozzi to feel that my abstention is a criticism of his efforts. It is the direct consequence of the speech I made yesterday expressing my own feelings about the Council's activities.

Mr De Pasquale. — (IT) Mr President, we shall also abstain, because, although we share its basic premise, we feel that the general formulation of the resolution — even after the adoption of the amendments — is inadequate to the scope of the problem.

Written explanation of vote

¹ In addition, the rapporteur spoke against Amendments Nos 11, 12 and 16.

Mrs Hammerich. — (DA) This report is one of the many proposals from the Political Affairs Committee for the furthering of European Union, and it is totally opposed to the interests and wishes of the Danish people.

That is why the Popular Movement against the EEC is opposed to this report.

(Parliament adopted the resolution)

*

* *

President. — We proceed to the Cohen report on the UN Conference on the least-developed countries (Doc. 1-823/81).

(...)¹

Written explanation of vote

Mr Martin. — (FR) On behalf of the French members of the Communist and Allies Group, I wish to say that if we are going to vote in favour of the proposed report, it is because this report takes into account the positive results of the Paris Conference.

This approval, however, is not without some reservations. In particular, we regret that the Assembly did not adopt our proposals for precise and scheduled commitments to be made by the EEC countries.

Furthermore, we cannot accept the proposal contained in the report to give the Commission the exorbitant power to coordinate the cooperation policies of the Member States, both for reasons of principle and also in the interests of cooperation with the developing countries.

Why should this action be reduced to the lowest common level?

On the contrary, we appreciate that some governments may take more positive positions than others, as is the case, for example, with the commitments made by the French Government in regard to the least developed countries.

(The resolution was adopted)

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* *

President. — We proceed to the Enright report on financial and technical cooperation with the non-associated developing countries (Doc. 1-819/81).

(The resolution was adopted)

*

* *

President. — We proceed to the Dalsass report on statistical surveys of areas under vines (Doc. 1-688/81).

Written explanation of vote

Mr Dalsass. — (DE) I should like to add a number of general explanations to my report on the proposal for a Council regulation amending Regulation No 357/79 on statistical surveys of areas under vines.

In the last two years we have had several debates on measures required to assist viticulture.

We have pointed to the need to improve the quality of wines, to limit growing to suitable areas, to step up external trade, to relieve the burden on the wine market by distilling certain quantities of wine and to produce rectified grape-must from it for the enrichment of wines.

All these measures are necessary to prevent excessive surpluses and assure growers of a reasonable income. Over two million growers are already interested in an arrangement of this kind.

The accession of Spain and Portugal will make the situation even more difficult. Although it may be felt that the enlargement of the Community is politically desirable, the attempt must at least be made to prevent a deterioration of the economic situation. This is true not only of wine but of other Mediterranean products as well.

If appropriate use is to be made of all the measures in favour of viticulture, an accurate survey of areas under vines is needed.

Statistical surveys of areas under vines are therefore a basic requirement. All the Member States must therefore meet this obligation as quickly as possible.

I have emphasized the need for this.

I therefore fully approve this proposal.

(The resolution was adopted)

*

* *

¹ The rapporteur spoke in favour of Amendments Nos 1 and 2.

President. — We proceed to the Tolman report on laying hens kept in battery cages (Doc. 1-831/81).

(...)

Article 4: Amendments Nos 3, 6, 12 and 17

I call Mr Woltjer.

Mr Woltjer. — (NL) Amendment No 17 does not exclude any other amendment, but it can be added to any of the others, except that tabled by Mr Curry, which already includes it.

President. — That means that if the Curry amendment is rejected, yours can be put to the vote: otherwise not.

(...)

Paragraph 4: Amendment No 20/rev.

Mr Tolman, rapporteur. — (NL) I take the view that this is not in order and am therefore opposed.

(...)

After paragraph 4: Amendment No 21/rev.

Mr Tolman, rapporteur. — (NL) In view of the foregoing, this amendment is also superfluous. I am therefore opposed.¹

(...)

After the adoption of paragraph 9

Mr Tolman. — (NL) Mr President, I have a question. I have the impression that there has been some misunderstanding. When we began, we voted against Mrs Seibel-Emmerling's 600 cm² and for the 500 cm² proposed in Mr Curry's amendment.

President. — At the moment, I think there is no question of contradictions in the text. During the voting, I made it quite clear, in connection with the various figures in the various languages, how the situation was developing. The majority was also, I think, sufficiently clear to prevent there being any question of an oversight resulting from discrepancies in the wording.

I call Mr Herman.

Mr Herman. — (FR) Mr President, in view of the substantial amendments adopted by the Assembly, may I ask, on the basis of Rule 36, that we be informed of the Commission's position concerning these amendments?

(Applause from some benches of the European Democratic Group)

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Mr President, the Commission is concerned that the lack of clarity stemming from the incorrect translation of the Curry amendment into various other languages may be perpetuated in other amendments, and feels, therefore, that it must first be clarified what has in fact been voted before it can state its opinion.

President. — Mr Narjes, I can hardly conceive of that. The original Curry amendment spoke quite clearly of 600 cm², as also did the French text. I do not know how it was in the German version, but in the Dutch version at all events it was 500 cm² in the Curry and 600 cm² in the Woltjer amendment. These were, however, identical amendments, and so this can scarcely have led to any confusion in plenary sitting, particularly as this was carefully explained. Accordingly, that is not an argument, I think.

Mr Narjes, Member of the Commission. — (DE) In that case, I can only repeat what we said yesterday: the Commission cannot envisage amending the 500 cm².

(Cries)

President. — I can now give the floor for explanations of vote.

Mr Hord. — Mr President, it is my view that the Commission's proposals are half-baked and half-hearted and fail utterly to acknowledge the welfare of the billions of hens which are subjected to lifelong incarceration and a totally unnatural existence. The very fact that the Commission's proposed specifications for battery cages are not intended to be effective for another thirteen years serves to confirm the view that the Commission's proposals do not interest themselves in the welfare of the animals but are there purely to sustain the interests of the producers.

This morning, however, this Parliament was able to achieve some substantial amendments to the Commission's proposals. We have now a proposal from this House that the directives should lay down a minimum standard of 600 sq. cm. We have provisions for fines

¹ In addition, the rapporteur spoke *in favour* of Amendments Nos 4, 5, 11, 13 and 24 and *against* Amendments Nos 2, 3, 6, 7, 8, 10, 12, 17, 19, 22, 23 and 25.

Hord

for non-conformity with the proposed standards and we have a proposal that the transitional period should be reduced to ten years. On that basis, I am prepared to vote for the motion for a resolution, which secures and sustains those amendments to the Commission's proposals.

(Applause from various quarters)

Mr Muntingh. — *(NL)* Mr President, I regard the keeping of hens in battery cages, whether they are 450 cm² or 600 m² in size, as a form of cruelty to animals. I also find it degrading and outrageous that we should allow this cruelty to animals to continue through the Tolman report. It would have been better if the Commission's proposal had made better provision for, and paid greater attention to, the development of new methods of chicken-farming. Although I am therefore in principle opposed to animals being kept under industrial conditions in this way, and indeed feel very suspicious of the product of this industry, the tasteless egg which increases the cholesterol level but which I cannot, unfortunately, deny has some nutritional value and is a part of many people's breakfast that will give them bad breath for the rest of the day, I do not believe I should vote against this report. Some of the amendments will perhaps prompt the Commission to give more thought to other systems, such as the '3d' system developed in Germany, which can much improve the well-being of the chicken without resulting in a substantial increase in price. I shall therefore vote for the report under the slogan 'better half an egg than an empty shell.'

(Laughter)

Mrs Seibel-Emmerling. — *(DE)* Mr President, much as I welcome the fact that the House has decided after some soul-searching to accept 600 cm² at least — although not an increase in the area for larger breeds, which is certainly needed — I must point out that a number of very important amendments have been rejected.

Our interest has been concentrated on the number of square centimetres and has ignored the most important basic requirements of these creatures, such as allowing them to stretch their wings, thus maintaining conditions that amount to nothing less than cruelty to animals. The provision of alternative measures in this proposal is to be welcomed, and this is the only thing that will stop me voting against this report. I shall abstain instead. It would be impossible for me to vote for the report, now that the time limit in the proposal has been so dreadfully extended, to almost ten years or, let us be honest, indefinitely.

Mr Martin. — *(FR)* Mr President, it was our intention to vote in favour of the original Tolman report,

which was the report of the Committee on Agriculture. However, the many amendments which have been adopted, in particular the one tabled by Mr Curry, which calls for a cage space of 600 cm² per laying hen, will have serious economic consequences for a large number of poultry-farmers. This is why the French members of the Communist and Allies Group will vote against the resolution in its modified form.

Mr Combe. — *(FR)* Mr President, the Liberal and Democratic Group originally wanted to support this report, but in view of the unrealistic nature of the amendments and the fact that while providing for thousands of hens we have forgotten thousands of poultryfarmers, we are unfortunately obliged to vote against the report, which is aimed at benefitting animals alone. Many Members present here today should visit certain poultry farms, as I have done; then they would take a very different view of the matter from the one which seems to inspire them when they adopt amendments like those which have just been approved:

Mr Maher. — Mr President, I would like to make two points. One is that I hope the people in favour of the amendments adopted today will accept responsibility in the future when the price of these eggs goes up, because inevitably production will be more costly. I accept fully that they are entitled to make these amendments, but I hope they recognize that they will have a dearer product.

My second point is this: the reason I am opposing this is that in my experience of keeping animals — I have kept them all my life and I still do — if you put an animal or a bird under stress, it will not produce well. How do these hens produce so well if they are under all the stress that people claim they are? Frankly, I do not understand that. I am not a scientist and I feel that there is not enough information available to us to prove that these hens are under stress, as they are being kept at this moment. I think we are making a decision in the light of insufficient information, and so I will oppose the motion for a resolution at this time.

Mr Curry. — Mr President, if the Commission sees no possibility of amending its proposal in the light of this Parliament's opinion, will the Commissioner explain why there is such a grave inconsistency between the words of his President, Mr Thorn, who never ceases to tell us how important parliamentary opinions are, and his own words? Will he tell us why there is such a grave inconsistency between the words spoken by his own representative in the committee and the words spoken by himself here today? And will he take note of the fact that unless his attitude changes, I shall do all in my power to make sure that Parliament does not deliver an opinion on this matter, so that this issue remains as frozen as the weather outside?

Curry

(Applause from various quarters)

President. — I call the rapporteur.

Mr Tolman, rapporteur. — *(NL)* Mr President, the voting has brought to light a great deal of opposition and resulted in obscurities which, as Mr Narjes has pointed out, are likely to give rise to misunderstandings. In addition, there has rightly been a call for more studies in this area. Consequently, Mr President, I feel that in the circumstances I cannot take responsibility for this report and I therefore propose to withdraw it.

(Applause from various quarters)

President. — There is a close connection between regulation and report — that is to say, if you ask for the one to be referred to committee, then you also withdraw the other, and what Mr Curry has just put to me then occurs — that is, because of reference to committee there is no opinion of the Parliament on this proposal for a regulation.

(Parliament decided to refer the matter to committee)

I call Mr Curry.

Mr Curry. — Mr President, would you mind asking the Commissioner if he would briefly explain his attitude to points of view expressed by this House?

President. — I call the Commission.

Mr Narjes, Member of the Commission. — *(DE)* Mr President, I explained just now, in reply to a question on the state of the regulation after the adoption and rejection of a number of amendments, that the Commission, as it is represented here this morning, abides by the opinion it expressed yesterday.

If a completely new report is drawn up and discussed by Parliament's committee, the Commission as a whole will, of course, have to reconsider the matter. This does not in any way mean that the Commission will refuse to take account of Parliament's resolutions in the decisions it takes. The House would then be informed of this during the next part-session under 'action taken by the Commission on Parliament's opinions'.

*

* *

President. — We proceed to the Douro report on quality standards for flowering bulbs (Doc. 1-807/81).

(...)

(The resolution was adopted)

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* *

President. — We proceed to the Vernimmen report on seeds and cereals (Doc. 1-808/81).

(...)

(The resolution was adopted)

*

* *

President. — We proceed to the report by Mrs Martin on the restructuring of vineyards (Doc. 1-809/81).

(...)

(The resolution was adopted)

3. Community tariff quota for frozen beef and veal

President. — The next item is, without debate, the report by Mr Seeler (Doc. 1-843/81), on behalf of the Committee on External Economic Relations, on

the proposal from the Commission to the Council (Doc. 1-605/81) for a regulation on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within sub-heading 02.01 A II b) of the Common Customs Tariff (1982).

Since no one has asked to speak, we proceed to the vote.

(...)

(Parliament adopted the resolution)

4. Community tariff quotas for beef and veal and buffalo-meat

President. — The next item is, without debate, the report by Mr Seeler (Doc. 1-842/81), on behalf of the Committee on External Economic Relations, on

The proposals from the Commission to the Council (Doc. 1-663/81) for

- I. a regulation amending Regulation (EEC) No 217/81 opening a Community tariff quota for high-quality fresh, chilled or frozen beef and veal falling

President

within sub-headings 02.01 A II (a) and 02.01 A II (b) of the Common Customs Tariff; and

- ✓ II. a regulation amending Regulation (EEC) No 218/81 opening a Community tariff quota for frozen buffalo-meat falling within sub-heading 02.01 A II (b) 4 (bb) 33 of the Common Customs Tariff.

Since no one has asked to speak, we proceed to the vote.

(Parliament adopted the resolution)

5. Canada — EEC fisheries agreement

President. — The next item is the report by Mr Gautier (Doc. 1-832/81), on behalf of the Committee on Agriculture, on the

recommendation from the Commission to the Council (Doc. 1-797/81) for a decision concerning the conclusion of an agreement on fisheries between the Government of Canada and the European Economic Community.

I call the rapporteur.

Mr Gautier, rapporteur. — *(DE)* Mr President, I assume that the Members present on a Friday morning can all read and have read this report. All I wish to do, therefore, is to ask them formally to vote on the report.

(Applause)

President. — The debate is closed. We proceed to the vote.

(The resolution was adopted)

6. Combined rail-and-road transport

President. — The next item is the report by Mrs von Alemann, on behalf of the Committee on Transport (Doc. 1-835/81), on

the proposal from the Commission to the Council (Doc. 1-734/81) for a directive amending Directive 75/130/EEC on the establishment of common rules for certain types of combined road-and-rail carriage of goods between Member States.

I call the rapporteur.

Mrs von Alemann, rapporteur. — *(DE)* Mr President, ladies and gentlemen, I believe I can be very brief on this matter. We are called upon to approve an amend-

ment to a directive relating to the trans-frontier transport of goods. It has turned out that the sizes of containers used at present should be liberalized.

The present directive is a temporary arrangement and expires on 31 December 1981. The Council of Transport Ministers did not complete its deliberations on the subject this week, but I have been told that all the necessary preparations have been made for the matter, should we decide in favour of liberalization — that is to say, the equal treatment of various container types — to be considered again at the next Council meeting, so that the new arrangement can enter into force on time.

I should like to point out that, although this is only a short report, we had to deal with it very quickly in the Committee on Transport. The Commission forwarded its proposal on 9 November, I took on the report on 27 November, with instructions to submit it on 3 December, and it is now on today's agenda. I should be grateful if rather more time could be allowed in future for a subject which everyone knows will have to be considered. It was, of course, known that the directive would expire on 31 December, and I must say that the speed with which the staff of the Committee on Transport applied themselves to the task was exemplary. The committee adopted the report unanimously. I should be grateful for your approval of this new liberalization of containers since it is in the interests of trouble-free combined road-and-rail goods transport.

President. — I call Mr Moreland.

Mr Moreland. — Mr President, I congratulate the rapporteur on her report: she has done an excellent job and we will support her. I only speak to make the point that here we are being asked to support a proposal in order that the Council can take a quick decision. So often during the last year we have passed reports on transport and then discovered on the Tuesday in the Transport Council that they had got nowhere. I really wonder whether this Parliament ought not to get more and more tough on the Transport Council and indeed bully them more, because it is ridiculous that time and time again we should pass motions for the Transport Council and then find they are being vetoed by Ministers in the Council who seem to be more puppets of the transport undertakings than servants of the travelling public. So although we will support this today and indeed congratulate the rapporteur, and will do our job, we really should not be the servants of the Council. We should be bullying them.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — *(DE)* Mr President, the Commission would like to join in thanking the rapporteur. As regards the timetable, I

Narjes

would point out that we adopted our proposal on 19 October and it was probably forwarded to the Council the next day, so that between its adoption on 19 October and the time it reached the rapporteur more than a month elapsed. I believe there is room here for things to be speeded up in the future.

The rapporteur has dealt with the subject in excellent fashion. I will not repeat what she has said. We are concerned with liberalization through the permanent introduction of a system that has hitherto been used experimentally. These measures have been well received in all the Member States. The Council's Working Party on Transport Questions has considered the text and already given its unanimous approval, subject to the opinion of the European Parliament — something which, unfortunately, happens all too infrequently in transport policy. We want to avoid a legal vacuum, and by taking a rapid decision this morning, the House will have an opportunity of helping the matter forward.

President. — The debate is closed. We proceed to the vote.

(Parliament adopted the resolution)

7. Social aspects in the sea-fishing sector

President. — The next item is the report by Mr Woltjer, on behalf of the Committee on Agriculture, on the communication from the Commission to the Council (Doc. 1-685/81) on social aspects in the Community sea-fishing sector (Doc. 1-830/81).

I call the rapporteur.

Mr Woltjer, rapporteur. — *(NL)* Mr President, I must say that I was very glad to find the Commission, which puts forward numerous technical proposals on fishing, also thinking about the people who work in the fishing industry and so placing the emphasis on the social aspects of the fisheries policy. These social aspects concern vocational training, employment, industrial safety, hygiene and conditions of employment.

I was happy to see the Commission considering the social aspects, but I was not very happy about the general result it produced. I quite appreciate that a modest start may have to be made. Be that as it may, my criticism is that little detail is given and that the Commission has come forward with few ideas, particularly as regards employment, industrial safety and conditions of employment.

I should like briefly to take up the question of vocational training. My resolution is combined with a number of resolutions tabled by Members of Parlia-

ment on a Community vocational training scheme, or at least the coordination of such vocational training and the place where it would be provided.

Mr President, as a Member of Parliament I cannot express an opinion on the place where this vocational training should be provided, nor do I have the means to do so. I have therefore ignored that aspect of the resolutions. The Commission must study this question, because we agree that there is a definite need for coordination.

I was invited to visit Grimsby and Hull, my intention being to find out whether there were any means of coordinating vocational training schemes. The sole object of my visit to Grimsby and Hull was therefore to establish what experience they had of international training. I became enthusiastic about the possibility of organizing a Community vocational training course in fishing at least, particularly as I discovered that, if an adequate and expert approach to such training is to be adopted, considerable investments are needed. Despite the relatively small percentage of the labour force employed in fishing, coordination is needed in this respect. By this I do not mean that training, basic training should no longer be provided in the various Member States. I simply found that coordination is possible in certain areas, and I also find that certain detailed studies could be concentrated more on certain districts.

As regards employment, I must say that the Commission really goes no further than making the stock statement that there must be alignment of supply and demand. We have known this for a long time. If there is demand for labour, it is important for the supply of labour to react to that demand. In the fishing industry, the supply of labour far outstrips demand. This causes social problems, and I would expect the Commission to do rather more in this area in the very near future.

My third point concerns industrial safety and hygiene. I feel the Commission is right to say that safety on board ship is extremely important and that there is a need for research into this and into hygiene to find out where and how certain accidents happen on ships. It is therefore right that the Commission should carry out such research, as I have also said in my resolution. If it does so, it must then waste no time in establishing how these accidents can be prevented, whether there are not certain common causes.

I should like to say the following about industrial safety. People on ships are far from home, and it is not so easy to get them to doctors and so on. I therefore emphasize in my resolution how important it can sometimes be for auxiliary vessels to operate internationally. We should not have a situation in which Dutch ships can only be assisted by Dutch auxiliary vessels. The Kavanagh report, which we have already debated in Parliament, also discussed this question in detail.

Woltjer

I now come to conditions of employment and working-hours. We all know that conditions of employment are different on fishing vessels. Work at sea is a full-time occupation entailing a different way of life, a different way of work. I am happy to see that the Committee on Agriculture feels that working-hours at sea must also be subject to proper limits. Account must, of course, be taken of the needs of the industry and of fishermen themselves, but we naturally regard round-the-clock working as completely unacceptable unless accompanied by a fixed rest-period.

Mr President, my last point concerns conditions of employment. As the rapporteur of the Committee on Agriculture, I have not gone into this aspect in detail. We do feel, however, that the Commission really must encourage consultations between the industry and fishermen with a view to achieving better concordance between conditions of employment and the system of pay.

Mr President, that concludes my statement. We have deliberately gone no further, because we feel there must first be consultations. Just one final remark on the three amendments. Amendment No 3 has been approved by the Committee on Agriculture. I personally find it rather weaker than the original text but, as I have said, the Committee on Agriculture has approved it, and I must therefore acquiesce. I understand that Amendment No 2, has been withdrawn. I am able to accept Amendment No 1, which repeats the point that I wish to make absolutely no comment on where the vocational training should be provided.

IN THE CHAIR: MR MØLLER

Vice-President

President. — I call the Socialist Group.

Mrs Péry. — (FR) Mr President, ladies and gentlemen, in this Parliament we often speak of territorial waters, of fish, and of fishing-quotas. Today we are dealing with the human reality which lies behind the more technical discussions.

The trade of the sea fisherman is a fine, tough job, but above all it is hard work, carried out under difficult conditions and more subject to substantial risk than other professions.

If young people are to go on choosing to work in this field, they must be offered acceptable living and working conditions. In the industrial fishing sector, it is easier to put together a body of social measures, in particular a guaranteed wage and the right to enjoy holidays.

In France, a fisherman who goes out to sea for more than twenty days now receives a guaranteed wage of 6 000 F per month. To this sum is added a commission on the sale of the fish, ranging from 9% to 11%. These fishermen have compensatory leave and annual holidays of from 33 to 95 days.

We cannot forget, however, the dangers and impositions entailed in this line of work, the 80-hour working week and its effects on family life.

It is more difficult to provide the same rights for small-scale fishermen. The investments to be made are large, profits depend upon the caprices of the weather, and remuneration is by profit-sharing alone. It is therefore necessary to work for the creation of solidarity schemes, established at the local and regional levels which can guarantee a minimum wage. It is important to create more local funds for use in cases of unemployment or inclement weather, financed jointly by the governments, the employers and the fishermen. Similarly, funds for paid holidays must be set up and utilized on a compulsory basis to compensate fishermen during their holidays and to provide recognition for their services.

The French Government will shortly extend the obligation to provide for paid annual holidays to cover all fishermen. All fishermen, like all workers, also have a right to a proper vocational training. This training must be further developed and redefined in view of the new demands of the profession. We must also make it possible for the fisherman to be integrated, if he so wishes, in one or other of the occupations on land.

Definite measures to complement this approach are necessary at the European level. A true harmonization of social security systems among the Ten is essential, not only for imperative social reasons, but also on economic grounds, in order to eliminate the distortion of competition.

IN THE CHAIR: MR DANKERT

Vice-President

President. — I call Mr Harris.

Mr Harris. — Mr President, I want to take this opportunity to thank the rapporteur, particularly for his approach to the question of vocational training. He knows, of course, that there is a certain amount of competition between various institutions, and I for one was rather disappointed that he, for reasons I fully understand, did not come to my part of the world and see Plymouth Polytechnic, which runs a degree course in fishing.

Harris

But I am very grateful that he accepted my amendment, which makes it clear that there are a number of well-equipped centres in this field. I move that amendment and withdraw Amendment No 2 — the other amendment in my name and in the name of Mr Hord.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Mr President, the Commission wishes to thank the rapporteur for his detailed report and for his generally positive assessment of the Commission's statements. We are gratified by this because we feel considerable importance should be attached to the social aspect of sea-fishing in the Community, and this social aspect must become more clearly visible within the overall policy on fisheries.

A decision by the European Parliament to approve the report on the Commission's proposal — and we hope it does so decide — will be a major incentive to the Commission to venture a little further along this path in order to achieve practical results as soon as possible in areas which it sees as falling within its terms of reference.

We also attach importance to the emphasis placed by Parliament in the concluding remarks of the report on the guiding principles proposed by the Commission, and we can therefore assume, when the matter is considered by the Council, that its ideas are endorsed by Parliament.

I should now like to comment on a number of questions that have been raised. First, there is the question of accidents. It should be noted that publications on accidents in sea-fishing are available for 1975 and 1976. We have just received the figures for 1977 to 1980 and shall be drawing up a report, which should appear in 1982. In addition to this publication, a study is at present being carried out on ways of improving safety in sea-fishing. I do not wish to go into this subject in any greater detail, but all the questions you have raised in your oral report are covered by this study.

On the question of training, it can be said that the Community has already encouraged the installation or better functioning of such centres at various places. I would refer in this connexion to the Community's back-up programme for training in the fishing industry described in our communication. The Commission shares the view that fishing in the Northern areas of the Community differs from that in the Mediterranean areas, and it will take account of this difference particularly when implementing the social measures.

To conclude, a few words on pay. Our communication contains the information we have received from the social partners in the fishing industry and from the

national delegations. It is principally for the social partners to agree on that part of the communications in which working conditions are described and appropriate proposals are made. The Commission does not conclude collective agreements, and it does not conduct negotiations on them: that is a matter for the social partners. All we have done or wanted to do is provide various guidelines and make suggestions in the hope that they will have some effect. Parliament's approval of these ideas could provide the social partners in all the Member States of the Community with a real basis on which to work.

President. — The debate is closed.

(Parliament adopted the resolution)

8. Taxes on manufactured tobacco

President. — The next item is the report by Mr Beumer, on behalf of the Committee on Economic and Monetary Affairs (Doc. 1-798/81), on

the proposal from the Commission to the Council (Doc. 1-725/81) for a directive amending Directive 72/464/EEC on taxes other than turnover taxes which affect the consumption of manufactured tobacco.

I call the deputy rapporteur.

Mr Hooper, deputy rapporteur. — This is a measure to extend for one year the draft directive on the harmonization of excise tax as it applies to cigarettes. It is a technical measure which I think is uncontroversial. It has arisen because the Parliament and the Commission have been unable to agree on the modalities for proceeding to the third stage of cigarette-tax harmonization, and I imagine that the House will wish to pass this measure.

President. — Does the Commission wish to say anything?

Mr Narjes, Member of the Commission. — (DE) The Commission agrees with this suggestion.

President. — The debate is closed.

I call Mr Martin for an explanation of vote.

Mr Martin. — (FR) During the recent debates on the harmonization of taxes on manufactured tobacco, the French members from the Communist and Allies Group expressed their firm opposition to the Commission's initial proposals, which had served only to

Martin

aggravate the already difficult situation of French tobacco manufacturers and of our national industries.

We are pleased today at the Commission's latest concession, the proposal that the *status quo* be maintained until 31 December 1982. We shall therefore vote in favour of the Beumer report, but at the same time we shall continue to urge the need for re-balancing measures in the interests of tobacco manufacturers, particularly the introduction of a tax on manufactured products levied on the profits of the multinational companies in proportion to their use of Community tobaccos. This would have the double advantage of increasing respect for Community preference and bringing new resources to the Community.

(Parliament adopted the resolution)

9. Research and development in raw materials

President. — The next item is the report by Mr Croux, on behalf of the Committee on Energy and Research (Doc. 1-744/81), on

the proposal from the Commission to the Council (Doc. 1-411/81 for a decision adopting a research and development programme in the raw materials sector (1982-85).

I call the rapporteur.

Mr Croux, rapporteur. — (NL) Mr President, I shall be very brief in view of the late hour and because in a few months' time we shall, I hope, be able to have a more thorough debate on the problem of research in the Community. Nonetheless, there are a number of points which are in need of clarification during today's debate with the aid of amendments and the answer the Commission will give us regarding a number of opinions held by the Committee on Energy and Research.

What is this in fact all about? We have here an attempt to set up an integrated, more consolidated programme of scientific research in the raw materials sector. We know how important supplies of raw materials are and how dependent the Community is where vital raw materials are concerned. The Committee on Energy and Research therefore welcomes this new attempt by the Commission as progress in this area. The programme includes familiar subjects such as primary raw materials, uranium exploration and extraction, paper and cardboard recycling and the recycling of urban and industrial waste, and also a number of new sectors such as ceramics, timber-growing and processing, the recycling of non-ferrous metals and the far from insignificant problem of substitutes for certain raw materials, particularly in the non-ferrous

metals sector. Financially, the programme will entail the expenditure of some 72m units of account over the period from 1982 to 1985.

The amendments that have been tabled can be divided into two sets. On the one hand, we have the four amendments tabled by the Committee on Energy and Research and eleven tabled by Members of Parliament. I do not think there will be any problem with the majority of these amendments: they will be adopted by a large majority or even unanimously. On the other hand, there are the amendments tabled by Mr Pininfarina, which arrived very late. They seek to remove the section of the programme dealing with substitutes for raw materials. I think I can say that, considering the spirit in which it has discussed the matter, my committee and Parliament too cannot accept these amendments, simply because the problem of substitutes for raw materials is so important. With regard to these amendments, we would, however, point out that proper account has been taken of the need for good contacts with industry, a regular supply of information, the dissemination of findings, and the avoidance of duplication of effort and of any waste of funds, whether in the private or the public sector. But I believe we must reject Mr Pininfarina's amendments.

There are also two amendments more of a legal nature relating to the subject of the Commission's proposal for a decision. The legal aspects of the proposal are, of course, very important. In this connection, I would draw your attention to two points. The first concerns Article 2 (2) of the proposed decision, which provides for the possibility of transferring a maximum of 10% of appropriations from one subprogramme to another. The Committee on Energy and Research has approved an amendment which seeks to allow such transfers only with the prior consent of the European Parliament's Committee on Energy and Research. I am well aware, Mr President, that budgetary orthodoxy prompts various remarks on an amendment of this nature. The delivery of opinions on the transfer of appropriations does not fall within the terms of reference of the Committee on Energy and Research. It might be said that, if anything, the Committee on Budgets or, even better, Parliament as a whole is empowered to do so. There is therefore a legal problem, to which Mr Schmid, who will presumably be referring to it later, has drawn attention. Mr Schmid has now tabled another amendment which proposes the consultation not of the Committee on Energy and Research but of Parliament as such. I believe Mr Schmid is right; but I would point out to him that the danger of the new version of the amendment is that it would introduce a cumbersome procedure and that furthermore his amendment no longer refers to CREST as the advisory body but to Parliament, which may well have a different attitude towards scientific research programmes. We have discussed this with the Commission, and Mr Davignon referred us to two points which may help us to solve this problem.

Croux

Firstly, the Commission is prepared to accommodate the Committee on Energy and Research in the very strong desire it feels for regular reports on the state and results of scientific research, particularly that carried out as part of this programme. We hope that the Commission will repeat this statement here in the House. In addition, the committee certainly has the right to look into the use of the appropriations every year.

The second point concerns Article 4 of the proposed decision. The Committee on Energy and Research proposes — and this is very important — that the review provided for in Article 4 and possibly leading to the continuation of the programme should be made not only by the Commission and its conventional programme committees but also by outside experts who are independent of the Community and the Commission and are not paid by any Community body. This is, I believe, an innovation. The Commission will naturally continue to have the power to draw its conclusions as regards the submission of new proposals to the Council, but the external review will mean the introduction of a new element, and I believe that is important. As rapporteur, I therefore strongly urge the House to approve this amendment and call on the Commission to accept this idea as I have explained it.

That, Mr President, was my brief explanation of the amendments, which was necessary because some of them have legal implications.

President. — What you have just said prompts me to make a remark with which I think you will agree. I refer to Amendment No 13, which is in fact inadmissible, since it amounts to a disturbance of inter-institutional relations in that it reduces the powers of the President of this Parliament in favour of the Committee on Energy and Research. With your agreement, I would propose that this amendment be removed from the agenda.

(Parliament decided to declare this amendment null and void)

I call Mr Hopper on a point of order.

Mr Hopper. — Mr President, a few minutes ago one of my colleagues on the back benches opposite referred to a mistranslation of the word 'Commission'. We have just had a mistranslation of the word 'Commissioner', which is rather humorous because the Commissioner at the front has just been referred to as a Commissar, which, of course, is an expression used in the Soviet Union for a very high official.

(Laughter)

That is not a serious mistranslation, but I do feel that the mistranslation of the word 'Commission', which occurs every day in this Parliament and every day in our committees, is a serious one and leads to confusion. It is avoided in French, I think, by using the expression 'Commission executive', but that itself is cumbersome. I wonder if the Presidency could issue a directive or instruction to the interpreters on the correct translation of the word 'Commission' in the different languages?

President. — Mr Hopper, I think you have made it clear to the interpreters that there is a problem, but I think it is their linguistic responsibility to find out how they should deal with it. I think they will have understood.

Mr Hopper. — Mr President, may I politely disagree with you? I have raised this matter on several occasions in my own committee. No doubt those interpreters who are present listen and pay some attention, but it is a fundamental matter to distinguish between these bodies in all official languages.

President. — That is right. On the other hand, the problem that arose half an hour ago over 'Commission' and 'committee' was in part created by the President when he used the word 'Commissie'.

In Dutch, the two words are exactly the same. Only a capital 'C' or a small 'c' makes it possible to distinguish them, so that in Dutch, for instance, it is impossible to make the distinction.

Mr Hopper. — That is my point!

President. — I think we should draw the attention of the interpreters to the problem, but I would be against giving them instructions, because they have to find out how to deal with that problem.

I call the Socialist Group.

Mr Schmid. — *(DE)* Mr President, ladies and gentlemen, the Socialist Group, on whose behalf I am speaking, is generally in favour of this research programme for a number of reasons. Industrial production in the Member States of the Community is very much dependent on the import of energy and raw materials. Reason therefore dictates that security of supply must be improved by carrying out research into the replacement of raw materials or their better use through recycling. This is also a reasonable course of action in balance-of-trade terms and a response to the realization that raw materials will not be available in unlimited quantities for ever. But we also know, for example, that the First World War did not break out

Schmid

because a monarch was shot in his carriage but because of the struggle for shares of the colonies and therefore for raw materials. Those who want to safeguard peace in this world ensure that such struggles decrease, not increase.

Some of the amendments that have been tabled suggest that some Members of this Parliament believe a research programme is a strategy aimed against the raw-materials-exporting countries. They must be told that this is not the case, and this is not the way we see it either. Replacement does not mean that we are now declaring economic war on the raw-materials-exporting countries. It is in fact in their interests for them to use their raw materials carefully and sensibly over a long period. The oil-producing countries have long since realized this. The situation with other raw materials is no different.

We approve the volume of finance and the items requested. I mention this because I know that the Council does not as a rule care about Parliament's budgetary rights in this respect. It reinstates items and amounts and regularly ignores the Commission's indication that this is merely meant to be indicative. In this respect, I should like to see the Commission adopting a more aggressive approach during negotiations, Mr Commissioner. I know the fine words you attach for the Council's minutes, in which you refer to Parliament's budgetary rights. It is nice of you to do this, but it does not help us a great deal if you do not adopt a more aggressive approach, because this is now noted as a matter of routine and no longer results in subsequent action being taken. It is a procedure for which the Council waits but which does nothing to change its attitude.

As regards the amendments, the President has already pointed out that we shall have legal difficulties if the Committee on Energy and Research is named in Article 2(2) of the committee's original version. The institutions can only consult each other through their Presidents, of course. That is why I have tabled a new amendment, No 1, to solve this problem. Unfortunately, the wording is wrong: '... and after consulting the competent Advisory Committees on Programme Management of the European Parliament' is nonsense. It should read: '... the competent Advisory Committees on Programme Management' — which are something on their own — 'and the European Parliament.' Then the amendment makes sense.

Now, I know the Commission has doubts about this. It argues that this will take too long and will be too bureaucratic. Mr Commissioner, I appreciate your saying in the proposal that the advisory programme committee, which will also be responsible for administration, should be consulted before resources are transferred from one programme to another. That is a very sensible thing to do. But why you should want to make a further completely unnecessary concession to the Council and consult CREST, a committee which is

responsible for the broad lines of the development of research policy, but not for the details, that we really cannot understand. Either you omit the hearing of CREST from your proposal — that would be a fair compromise — or, if you are so keen on consultation, you propose consultation of the institution that forms part of the budgetary authority and must be consulted, Parliament. How we go about this is then for us to decide.

Where Article 4 is concerned, I should like to say that my group fully endorses the view that the review of this research programme must be made by independent experts. This is another amendment we proposed in committee. Ladies and gentlemen, it makes absolutely no sense for the Commission, which is responsible for the implementation of the programme, and the advisory programme committee, which will be involved in the implementation, to exercise surveillance over themselves. That is a joke, not a review. If we want proper surveillance, we cannot have it exercised by those involved in the activities which are its object: Nor should it be exercised by scientists who receive money from the programme, because they are hardly likely to admit that what they have themselves been doing is rubbish. Brecht once said, 'Unhappy the country that needs heroes.' I do not think we can expect anyone to bite the hand that feeds him. If you want proper surveillance, Mr Commissioner, it must be exercised by people from outside. The Commission claims that that is its intention. If that is your intention, Mr Commissioner, why not say so in the decision? I do not understand why you are averse to the wording we have chosen, if there is no dispute over the content. We cannot afford problems raised by the question of prestige — Parliament forcing you to do something you do not want to do. I therefore call on you, ladies and gentlemen, to approve Amendment No 1 and the amendments tabled by the Committee on Energy and Research, which will ensure proper surveillance.

President. — The correct version of your amendment is therefore: '... and, after consulting the competent Advisory Committees on Programme Management and the European Parliament, ...'

I call the European Democratic Group.

Mr Moreland. — Mr President, Mr Croux has produced an excellent report in that it both emphasizes the merits of the Commission's proposal and gives a clear indication of improvements that can be made to it, and I think that this is an indication of a good rapporteur.

My group welcomes in general terms the Commission's proposal, for the reasons expressed by Mr Croux. We also support the concern expressed in the resolution that the programme should not end up as a number of uncoordinated research projects conducted

Moreland

in academic institutes, but should be integrated and conducted in close cooperation with the industries that will benefit from the programme. I emphasize that industry should benefit from the programme, and here the user industries, such as the ceramic industry, should be involved in the conduct of the programme. In particular, will the Commission assure us that industrial representatives, as suggested by Mr Croux, will be on the advisory committees proposed and not civil servants? It is time we brought industry in instead of leaving it to civil servants. I might say frankly, Mr President, I am fed up of travelling from London to Brussels on a plane full of civil servants, and if it is not civil servants, I am afraid it is my British Socialist colleagues. I would like a change.

We also support the concern expressed by Mr Schmid and the Committee on Energy and Research about Article 2 (2). Mr Schmid reminds us that Parliament has a role in controlling expenditure. On Wednesday, Mrs Thatcher also reminded us that parliaments were originally established for controlling expenditure. I am glad Mr Schmid is a Thatcherite. Indeed, this must be an unusual occasion when a Thatcherite quotes Brecht.

I must say to the Commission that unless it can undertake to supply the Committee on Energy and Research with the same information as CREST and will take the views of the Committee on Energy and Research before switching funds, we shall support the Schmid amendment . . .

President. — Mr Moreland, will you allow Mr Schmid to interrupt you in order to ask a question?

I call Mr Schmid.

Mr Schmid. — (DE) If you claim I am a Thatcherite, you ought to say I am a Leninist too, because Lenin once said, 'Trust is good, control is better.'

(Laughter)

Mr Moreland. — Mr President, I am sure that Mrs Thatcher will be surprised to know that she holds the same views as Lenin.

(Laughter)

I emphasize, Mr President, that we will support Mr Schmid's amendments if the Commission does not make a clear statement.

However, the most important point I wish to make is that it is important that these programmes go ahead as soon as possible. The ceramics programme was originally proposed two-and-a-half years ago, and we debated that programme some 18 months ago. One

cannot leave industry hanging around to find out whether or not the Community does this research project. It is bad for industry's planning. Time is an important factor for industry.

In this connection, Mr President, may I make the comment that I was concerned last night when the Commissioner was talking on another subject, namely, Dutch horticulture, that he did not seem to think it very important that the European horticultural industry, having had to wait four or five years for Commission action, should worry about waiting another year. Frankly, time is important to industry and decisions must be taken soon on this programme before us.

Now I recognize that that is not just a criticism of the Commission. It is a criticism also of the Council, which has been slow over this programme. To speak frankly, its Scientific and Technical Research Committee seems on occasions to be unaware of the realities of business life. The point I wish to emphasize is that it is important that we get these programmes under way as soon as possible.

Madam President, we all know that industry in the Community is in recession. Unemployment is high. This programme is a welcome contribution to meeting the problem, but it must be carried out efficiently. We believe that the Croux proposals will heighten this programme, will add to it and will be of benefit to the Community, and therefore we warmly support them.

IN THE CHAIR: MRS VEIL

President

President. — I call the Committee on Budgets.

Mrs Scrivener, draftsman of an opinion. — (FR) Madam President, ladies and gentlemen, we have studied Mr Croux's report very carefully, and we offer him our thanks for the very interesting work whose results he has presented to us. Having examined the report with the greatest attention, we naturally agree with its proposals and, in general, with those of the Commission.

I would like, however, to make some observations which I believe to be important on behalf of the Committee on Budgets.

First, I would like to call attention to the fact that the Commission's future proposals should be made in the context of the restructuring of the Community budget, so that a careful selection of priorities can be made in

Scrivener

this field, for we all know well how easy it is to make mistakes. It is vital that the right choices be made.

My second observation — which I have already made to the Commission — concerns the need to create a system to monitor the results of the programmes, even if such programmes are not fully completed.

The Commission — which is already considering the matter, I believe — must provide the necessary documents to ensure that we of the Committee on Budgets are not obliged to make decisions without knowing exactly what we are to decide on.

The third observation — which, moreover, is the subject of Amendment No 12 — is that, in the event of the Council's deciding to modify the decisions, and especially to diverge from Article 2 of the draft decision, the established conciliation procedure should be set in motion, so that Parliament does not find itself once more confronting a *fait accompli*.

To sum up, I will say that we wish for a better organization of the work in this field, for the sake of the greater good of the European Institutions.

President. — I call the Commission

Mr Narjes, Member of the Commission. — (DE) Madam President, Mr Croux's report and Mrs Scrivener's opinion are an excellent introduction to the technique of raw materials research. The Commission thanks them both for their magnificent work and also for their approval of the Commission's proposals.

Before I discuss the amendments and make a few comments on the debate, I should like to refer once again to and emphasize two aspects of the Commission's proposal.

Raw materials research is vital to Europe. Our industry requires raw materials in large quantities. Every new deposit we discover in the Community, any recycling of raw materials, any substitution reduces our dependence on imports and eases the burden on our balance of payments. This does not mean our goal is self-sufficiency. We are in favour of unimpeded world trade and of close links in the world economy. Excessive dependence such as we have suffered in the past decade is, however, a cause for concern. A greater effort by the Community in the field of raw materials research is therefore essential. This is also true of the use of electronics in the ceramics industry, which one of the amendments calls for.

Although this subject is not actually mentioned in the proposed programme, it will be considered when the programme is being implemented. In the past, the Community's raw materials research programmes have produced good results. Mr Croux's report contains

numerous and, in our view, convincing references to this. But proposing and implementing separate research programmes in the raw materials sector is not the best way of doing things. Not every research activity does what is expected of it equally well; on the other hand, other activities exceed expectations.

I should like to take this opportunity to thank Mr Schmid for his call for a more aggressive approach to budgetary negotiations in the Council of Ministers. I am pleased to hear this and will pass it on to my colleagues in the Commission. The limits imposed by the budget are indeed making it increasingly difficult to pursue a reasonable European policy in other sectors.

Then there were a number of remarks about the success of CREST. I would begin by pointing out that CREST is an advisory body to both the Commission and the Council. It will therefore be heard in the same way as the advisory programme committee. But I am persuaded by these remarks of the need for the Commission to reconsider the general position of CREST at one of its forthcoming meetings.

As regards the composition of the advisory programme committee, I should like to say in reply to Mr Moreland that this will be for the Member States to decide. As I see it, most have appointed representatives of industry. Here too, we have always tried to ensure that such committees are composed of experts, but I do not believe there is any chance of a change in the situation in the foreseeable future. We can, however, continue to bring influence to bear in the direction you consider appropriate.

In this connection, the question of time-limits was raised yesterday. I would point out that I in no way defended, excused or made light of the even longer 10½-month period yesterday. All I said yesterday was that a number of bankruptcies will occur in the meantime. I asked for more detailed information on this so that I might pass it on to the appropriate services and the Commission can consider the matter. In no way did I excuse or make light of the remaining 10½-month period. I consider it important that that be made clear.

To Mrs Scrivener I should also like to say that the Commission attaches importance to the improvement of checks on results, cost-benefit calculations and evaluation techniques in the future to enable it to establish up-to-date and reliable criteria for assessing the success or failure of its programmes.

In the implementation of its research programme, the Commission should be given greater scope. The proposal of a comprehensive raw materials research programme is designed to achieve precisely this object, and I thus come to Mr Schmid's Amendment No 1 to Article 2 (2) of the proposed decision. The amendment calls for the consultation of Parliament on the alloca-

Narjes

tion of financial resources to the various subprogrammes. The Commission appreciates Parliament's interest in being fully informed and consulted: the appropriate Member of the Commission will therefore report to the Committee on Energy and Research on the implementation of the Community research programmes three times a year. This will give the committee an opportunity to express its opinion and obviate the need for additional procedural rules.

The Commission agrees to the amendments to Articles 3 and 6 proposed by the Committee on Energy and Research. We also agree in principle to Amendment No 15 to Article 4. The introduction of a system of programme evaluation by independent experts is — as I have already said — what the Commission intended. However, independent evaluation of this kind cannot replace the Commission's right to make proposals. Nor, I am sure, is that what the Committee on Energy and Research intended when tabling this amendment.

President. — The debate is closed. We proceed to the vote.

(...)

Article 2: Amendment No 1

Mr Croux, rapporteur. — (NL) Madam President, we would point out that the amendment proposed by the Committee on Energy and Research to Article 2(2) of the proposed decision has been withdrawn. Secondly, Commissioner Narjes has made a very important statement in response to the parliamentary committee's general desire to be regularly informed. I was also impressed by what he had to say about CREST. In these circumstances and bearing in mind what Mr Moreland has said, I am opposed to this amendment.

(...)

After approval of the proposal for a decision

Mr Croux, rapporteur. — (NL) Madam President, for clarity's sake I should like to ask the Commission, pursuant to Rule 36 of the Rules of Procedure, whether it accepts the text of its proposal as amended.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) The Commission is in agreement with the proposal as it now stands.

(Applause)

(...)

President. — I call Sir Peter Vanneck for an explanation of vote.

Sir Peter Vanneck. — Madam President, I shall be voting for this motion. Like my Socialist colleague opposite, I do not want to see a competition for vital raw materials become a basis for international jealousies that might in the end lead to armed conflict, or certainly its threat. Now, thank goodness, this House has adopted the Diligent report, and this is a great step forward in securing supplies to Europe of oil and strategic minerals from the Gulf and Southern Africa; but until the Council activates the terms of the Diligent report, we must strive as hard as we can, through research and development of the nature of this report, to be self-sufficient in the vital minerals and sources of energy that we need to maintain our economic, and hence political, independence. This is an independence which, I cannot stress too often, is always under Soviet threat on our ocean supply-routes; and that is why, Madam President, I shall be voting wholeheartedly for the report.

10. Right of appeal in customs matters

President. — The next item is the report by Mr Janssen van Raay, on behalf of the Legal Affairs Committee (Doc. 1-665/81), on

- the proposal from the Commission to the Council (Doc. 1-937/80) for a directive on the harmonization of provisions laid down by law, regulation or administrative action concerning the exercise of the right of appeal in respect of customs matters.

I call the rapporteur.

Mr Janssen van Raay, rapporteur. — (NL) Madam President, ladies and gentlemen, the report on the harmonization of rights of appeal in customs matters is one of those small, essential steps, one of those small elements which will help to perfect the customs union. As you know, the customs union is one of the most important pillars of the common market. Despite the considerable progress that has been made, we have not yet perfected the customs union since the establishment of the European Economic Community. Although the common market is one of this Community's two goals, we are still working on it. We of the Legal Affairs Committee — and I was also pleased to read the report of the Committee on Economic and Monetary Affairs — particularly welcome the fact that the Commission has taken this step. I realize, of course, that only a small group of people are affected, but they are extremely important with regard to the completion of the common market and the customs union. It is, after all, they who are

Raay

responsible for traffic across frontiers, it is they who are discriminated against as a result of differences in treatment that lead to distortions of trade, trade that would be effected differently if we had a proper customs union.

I am especially pleased to see Commissioner Narjes here. He will have noted the call in this report, which ties in with what the Commission itself wants, for another step to be taken, for the introduction of a single customs service, to create a situation that is ultimately the same as in the United States, for example, where the only customs frontiers are the external frontiers. The Commission is to be sincerely congratulated on taking this step forwards.

I shall otherwise confine myself to just one aspect, and I repeat, I am particularly glad to see Commissioner Narjes here, because in the Legal Affairs Committee he showed, certainly in the second instance, but also in the first instance, very clearly that he has a feeling for the legal aspects, and we are now talking about legal aspects. I should like to draw the following point to his personal attention. This concerns the only amendment unanimously adopted by the Legal Affairs Committee to this proposed directive, an amendment which still has our full support.

Mr Commissioner, reference is often made to misunderstandings. The Legal Affairs Committee and I, your rapporteur, agree that there is absolutely no need for the harmonization of substantive penal law in the ten countries of the European Community. There are absolutely no grounds for such harmonization. For example, as I have already said, if the United Kingdom wants to regard being an accessory after the fact as a punishable act, our British friends must be allowed to continue doing so, but there is no reason for the other countries of the European Community to do the same. If some countries use the jury system, there is no reason why we in the Netherlands should introduce it too. Thus, when the Legal Affairs Committee tables an amendment seeking the deletion of Article 16 of the proposed directive, its aim is not the harmonization of penal law. This was pointed out when the Commission was defending its proposal before the Legal Affairs Committee, and its representative was opposed to this amendment on the grounds that we do not want harmonization. Mr Commissioner, that is not what I seek, and I think I have now made that clear.

There are, however, certain specific provisions of penal law which relate to the economic system in the European Economic Community. I will give you an example: in the Netherlands we used to have a system of minimum prices for Geneva, our likable national beverage. Geneva was governed by our economic penal legislation. When a large store began selling Geneva at less than the minimum price, it was summoned under penal law, not civil law. It was a purely penal matter. The defence then claimed that the whole system of minimum prices contravened Euro-

pean law. Pursuant to Article 177 of the Treaty, the Dutch court therefore referred the case to the Court of Justice in Luxembourg, which decided that the Dutch legislation contravened Article 34 of the Treaty and was therefore invalid. Here you have a typical practical example of a case in which European law is definitely involved, and we must continue to stand up for the powers of the Court of Justice in Luxembourg. Do we want to harmonize substantive penal law on minimum prices? Of course not. So when we call for the deletion of Article 16, Mr Commissioner, this has nothing to do with harmonization: we simply realize that, as in the example taken from economic penal law, there are in customs matters, just as there were with those minimum prices, areas in which European law is involved, and we should like to see the Court of Justice retaining its right under Article 177, which is thus restricted to the interpretation of Community law, should it be involved, even where the provisions of penal law are concerned, as was the case with minimum prices. That is the only reason. I therefore hope that you will take another look at this.

Knowing the Commission's initial viewpoint, which is now diametrically opposed to mine, I do not expect you to agree with me. But I should be very happy if you said you would at least consider this and the arguments I have advanced here on the Legal Affairs Committee's behalf and, I very much hope, agree with me that, in customs matters of this kind in particular, the powers of the Court are important with regard to the interpretation of European Law. I then hope that, if Parliament at least adopts this amendment, which I call on it to do, of course, the Commission will look on it with a benevolent eye.

President. — I call the Committee on Economic and Monetary Affairs.

Mr von Wogau, deputy draftsman of opinion. — (DE) Madam President, ladies and gentlemen, I welcome the Commission's proposal and Mr Janssen van Raay's report as a step towards the second stage in the achievement of the customs union.

We have, of course, abolished customs duties in trade among the Member States, we have a Common Customs Tariff for external trade, but we still have ten different customs administrations acting in accordance with different administrative provisions. This Parliament has repeatedly called for the creation of a Community customs code and for the harmonization of provisions in this area in the European Community. I fully endorse the Legal Affairs Committee's view that this should include sanctions, because it is unacceptable that the punishment for the same offence should differ according to the legislation, that a large fine should be paid in one country, nothing in another. It therefore seems to me quite basic that these sanctions should be included, and we are very much in favour of them.

Wogau

I should like to take this opportunity to refer in this connection to another demand, which is repeatedly made, for the progressive amalgamation of the national customs administrations to form a single European customs administration, if only because it is their task to collect a major portion of the Community's revenue. We — the European Parliament, the Commission and the Council of Ministers, that is, the European Community — should concentrate our efforts on ensuring better protection of the Community's external frontiers against drug-smuggling and fraud involving subsidies, for example, because I see this as an essential requirement if we are to abolish customs checks within the Community.

I should like now, Mr Narjes, to say something about the present state of the customs union. I acknowledge the efforts the Commission has made in the last few months. On the other hand, I should like to make it quite clear that we are disappointed with the results achieved during the British Presidency, because there are decisions which have been pending for years, which are discussed again and again, but the Council does not decide, and in London too it failed to decide on these matters. They are insignificant questions, such as increasing the tax-free allowances, which hardly affect state finances, but decisions have not even been taken on this. I should also like to express my own and Parliament's concern about the constant growth of protectionism in the European Community, about the pending destruction of the internal market we have created. When I see the measures proposed by the French Government, as reported in the newspapers — and I understand the Commission itself only found out about some of them from the newspapers — it seems to me there is a very grave danger that we shall lose what we have achieved and that the question of further developing the internal market will no longer be considered.

I therefore call on the Belgian Presidency — and this is an appeal to the Council — to attach appropriate importance to this matter.

President. — I call the European Democratic Group.

Mr Tyrrell. — Madam President, when introducing this report, Mr Janssen van Raay described it as a small step towards the customs union. Before I enlarge on that, I would like to thank him on behalf of my group for the careful and convincing report which he has laid before the Legal Affairs Committee and now before this Parliament.

Why should it be such a small step? We are used to the Commission's small steps, but here is an occasion where the Legal Affairs Committee, guided by Mr Janssen van Raay, thought that the step could be a little more significant than they have actually made it. I am referring to Article 16 and Mr Janssen van Raay's proposal that it should be deleted.

There is a haphazard distinction between civil and criminal penalties for customs offences. Whether a particular breach of regulations is a civil offence or a criminal offence depends really on the circumstances in the Member State where the facts occur. It is very easy for Member States to arrange their affairs, to designate some offences as civil and some as criminal. Why, then, are we dealing here only with civil breaches? Why not also with criminal breaches?

The Commission themselves in their explanatory memorandum put forward two reasons for that, which they repeated to the Legal Affairs Committee. The first was that since there are no Community provisions for preventing infringements of Community law, national rules in force on this matter only can apply. Such provisions, they said, are governed by the criminal law of the Member States and cannot be covered by this proposal for a directive.

Well, that just is not accurate in the terms of Community law as we know it. Criminal matters arising out of customs procedures do come before the Community court at the moment. For example, an Englishman imported from Holland a large volume of pornography into the port of Harwich. He was prosecuted before the English courts for breach of a customs regulation which deprived the British people of the opportunity, if they so wished, of reading Dutch pornography. He appealed, he appealed again and again, and eventually he appealed to the House of Lords, who referred that case to the Community court to give its opinion on whether the customs regulation preventing the import of pornography was in breach of Article 34 of the Treaty of Rome. And so the Community court gave its opinion on a matter of English law which was duly implemented by the House of Lords when the case was sent back to them. So it just is not right to say that because a matter is criminal it cannot come before the Community court.

The second reason that the Commission advanced was almost the same. They said that a right of appeal in a criminal matter would undermine the organization and operation of Member States' legal systems. Well, I just cannot see how or why it should. All we are referring to is a common procedure of appeal.

Madam President, most Members will have had representations since they were elected from those who have felt bitterness and outrage at the way they have been dealt with by some other Member States' customs authorities — peremptory fines imposed sometimes on the spot. This kind of matter could be eliminated by a common procedure of appeal. I therefore join with Mr Janssen van Raay and the Legal Affairs Committee in urging the Commission to think again.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Madam President, I will begin by expressing my warm thanks to Mr Janssen van Raay for the report that has been presented today on behalf of the Legal Affairs Committee. This Parliament has increasingly and with justified concern referred to one problem in particular in recent years — the large gap that exists in free trade in the Community between the goal of the customs union and dismal reality. With some relief we can say that the position is somewhat better as regards the instruments that concern external trade, of which this proposed directive will be one, if adopted.

But I should first like to assure Mr von Wogau that I share his concern. It is true that protectionism has not yet been eliminated. In fact, there is a danger of the principle of the division of labour going to the wall as a result of a number of measures which have been discussed in the press in recent weeks.

Although progress has been slow where external protection is concerned, all in all considerable harmonization has been achieved over the last fifteen years. I will refer only to the Common Customs Tariff, the provisions on customs values and the rules on origin. They already have a certain stature, and with its proposal on legal remedies in customs matters the Commission intends to remove one complaint that might be made about what has already been achieved.

It is simply not enough to define various legal principles and procedural rules and then sit back. European customs legislation, to the extent that it has already been adopted, must prove itself in practice. As the guardian of Community legislation, the Commission can make a contribution in this respect, but this is by no means enough. Full enjoyment of the guarantees of Community law presupposes that in every Member State the citizen can appeal to an impartial body to look into action taken by the administration. This proposal for a directive is designed to ensure that comparable conditions exist or are the aim everywhere in the Community.

In recent years, the Community has been successful in its efforts to provide in the field of customs law a more accurate definition of the position of the individual in his dealings with the authorities. For example, regulations have been adopted on the imposition, refund or subsequent collection of import levies to ensure that the citizen or the businessman in the Community knows exactly where his rights and obligations begin and end when he faces the money-grubbing fiscal authorities, if you will pardon the expression.

This is precisely the line this proposal is following. It is designed to provide a general guarantee of legal protection by setting out common rules on legal remedies in customs matters in the Community. This is an important step, even though the Commission's proposal excludes legal protection in the area of penal law.

In reply to Mr Janssen van Raay and Mr Tyrell, I can say that I fully agree with what they have in mind. Where we perhaps differ — and I will explain this — is in our assessment of the difficulties of, in some cases, a constitutional nature that some Member States would face if their legal systems and the legal protection of the individual they provide for were to be harmonized as called for here. Before going any further, we shall have to discuss the related details of both constitutional and penal law.

We are aware of the difference of opinion in this respect. We do not like it. We are trying to come to an agreement with you, because the deletion of Article 16 would result in the inclusion of penal law and the law on offences in full, and that is precisely where the problem lies. The Commission is not denying that the committee touched on a very sore point here — the customs union — which in practice is extremely important, but we feel that Community provisions on legal remedies against customs fines can be considered only if the penal provisions are first embodied in a Community framework.

The Commission has already started work on this. Only when the results are known can further steps be considered, and we shall undoubtedly discuss these in detail in the European Parliament's Legal Affairs Committee. In this situation, I feel, we should not take the second step before the first and perhaps discourage the Member States, because we must not forget that we are dealing with a borderline area which touches on the jurisdiction of the Member States — and here, as you know, they have so far always shown extreme caution.

I would therefore ask you to appreciate the Commission's reasons for not being able to comply with the otherwise commendable resolution by agreeing to the deletion of Article 16 at this stage.

President. — The debate is closed.

(Parliament adopted the various texts)

11. *Taxation of income*

President. — The next item is the report by Mr Oehler, on behalf of the Committee on Social Affairs and Employment (Doc. 1-679/81), on

the proposal from the Commission to the Council (Doc. 1-694/79) for a directive concerning the harmonization of income taxation provisions with respect to freedom of movement for workers within the Community.

I call Mrs Salisch.

Mrs Salisch, deputy rapporteur. — (DE) Madam President, ladies and gentlemen, I should like to begin with two remarks. Firstly, I would point out that a corrigendum to the report has appeared. The title of the report should read as follows:

on an economic and social policy for the benefit of frontier workers and on the proposal from the Commission to the Council (Doc. 1-694/79) for a directive concerning the harmonization of income taxation provisions with respect to freedom of movement for workers within the Community.

The second remark of a technical nature I should like to make is this: Mr Oehler announced at one time that he would make an oral explanatory statement on his motion for a resolution. I believe, Madam President, ladies and gentlemen, that there will be no objection if I refrain from reading out the whole of the explanatory statement. I would, however, ask you, Madam President, to add this text to the report. I shall then be able to be far briefer in my presentation of the report. I have the text here in French, which I could give to you.

Ladies and gentlemen, the problem connected with frontier workers in the countries of the European Community and also as regards third countries should not be underestimated. It can be assumed that there are 260 000 frontier workers living in our countries, although this general figure does not reveal the whole picture, since in some regions these workers account for 30, 40, sometimes even 50% of the total labour force. This Parliament is now sitting in an area where there are a large number of frontier workers, a total of 36 000, of whom 20 000 travel to work in my own region, Baden-Württemberg, on the other side of the frontier. I believe these figures give some idea of the major economic and social problems raised by frontier workers.

Frontier workers could be European workers *par excellence*, but in fact they are still marginal figures who suffer doubly from the inadequacies of an as yet incomplete European integration. They are the ones who in many cases and in many respects are still discriminated against because of these inadequacies. The sad thing for those who, like myself and Mr Oehler, live in a frontier region, is that there is still not enough coordination between the authorities on the two sides of the frontier. Cooperation, coordination between the various authorities, associations and other bodies in such regions could undoubtedly bring a decisive improvement to the position of frontier workers.

The workers concerned suffer considerably from the absence of any real effort to teach the language of the other country and so enable the workers to get on better in the country in which he works. Another disadvantage is that no joint efforts are made in such regions to draw up joint plans for vocational training. A cautious start has been made here and there, but this is by no means enough. Here again, it would be a

major step forward if there were joint vocational training projects on both sides of frontiers in regions where large numbers of frontier workers are employed.

It should also be noted that the frontier worker is unable to take full advantage of leisure facilities in his own country and — I should think — any real advantage at all in the country where he works. Thus we find that the frontier worker, whom we might theoretically regard as the European worker *par excellence*, is at a disadvantage on all counts.

Nor is there such a thing as a trans-frontier employment agency. I would remind you that we have already referred in this House to the urgent need for a European employment service. The absence of a trans-frontier service of this kind is a tremendous handicap for frontier workers. Another is undoubtedly the fact that frontier workers cannot take part in advanced training schemes not in their own countries and certainly not in the countries where they work. This means that frontier workers, most of whom in any case take on unskilled work, cannot improve their qualifications, and this is a serious obstacle in their professional careers.

I will touch only briefly on deficiencies in social security. We know, of course, that the Commission has already developed instruments for coordination purposes, but we do have no genuine harmonization in the field of social security, which will certainly be an urgent requirement in the future.

I should not like to forget to mention that for many surviving dependants it is a sad thing to find, in addition to their bereavement, that their pension claims are dealt with very slowly, that they often have to wait a long time before they receive such pensions. The same is true of disability pensions. I believe it would be a good thing for benefits of this kind to be calculated in European units of account. The Commission is therefore to be complimented on taking a step forward with this directive and so attempting to arrive at a common definition of the frontier worker for tax purposes. The Commission has succeeded in adopting a Community approach and abandoning the principle of bilateral agreements, which are no guarantee against discrimination against frontier workers. It is much to the Commission's credit — hence the approval of its proposal by the Committee on Social Affairs and Employment — that the directive lays down, as it were, the principle of offsetting taxable amounts, since this will do a great deal to ease the burden on frontier workers. The frontier worker will now have the right, as it were, to an annual balance-sheet showing all his tax liabilities. He will not therefore have to put up with inequities as regards direct and indirect taxation. This may seem to be a difficult principle for the administrations to apply, but I think it can be said that they are inventive enough to adapt complicated processes so as to make them tolerable. It is, I believe, in the interests

Salisch

of greater justice to opt for a more complicated system this time. The insistence on the principle of taxation in the country of residence should really meet with our approval. It remains to be seen how the authorities deal with this matter afterwards, but I should think the results will be positive.

Madam President, having just praised the Commission for its efforts, I must now declare on behalf of the Committee on Social Affairs and Employment that we cannot accept the amendments which have been tabled by Mr Hopper, because they seek some modification to the principle to which we attach so much importance. We therefore call on the House to endorse the Commission's ideas and directive and to reject the amendments Mr Hopper has tabled.

President. — I call the Committee on Economic and Monetary Affairs.

Mr Hopper, draftsman of an opinion. — Madam President, I should like, perhaps surprisingly in view of Mrs Salisch's last remark, to congratulate her, her predecessor and also her committee on producing this excellent and far-reaching report. The problems of the frontier worker and the wider problems of workers who live or have their legal domicile in one country but work in another have to be treated by this Parliament, and her report, so far as I am aware, is the best document that has been produced on that subject.

I must, however, make an important reservation, one that applies more to the procedures of this Parliament than the substance of the report. The sections of the report which deal with taxation cause me some concern, and I believe they will cause the members of the Committee on Economic and Monetary Affairs some concern, although there has been no meeting of this committee since we received the report and therefore I have been able to discuss it only with the chairman, Mr Moreau, who is in agreement with me.

In fact, the procedures for consultation between the Committee on Economic and Monetary Affairs and the Committee on Social Affairs and Employment appear to have broken down. If I may recapitulate the history very briefly, Madam President, you sent the report in February 1980 to the Committee on Social Affairs and Employment as the committee responsible and to the Committee on Economic and Monetary Affairs for its opinion. The Committee on Economic and Monetary Affairs, with the full support of its chairman, Mr Delors, concluded that the fiscal aspects of the problem of cross-frontier workers were highly complex and highly technical, and the committee therefore devoted a great deal of time to studying these matters. The inland revenue departments of various Member States were consulted and in addition various other independent bodies, such as the accountancy profession. We acted with some speed, because we wished the Committee on Social Affairs and

Employment to have the benefit of receiving our opinion in good time so that they could take account of it. In fact, our opinion was requested in February 1980, and in July 1980 the Committee on Economic and Monetary Affairs approved its opinion. At the same time, a letter was sent to the chairman of the Committee on Social Affairs and Employment with the approval of Mr Delors asking that when the Committee on Social Affairs and Employment came to discuss the fiscal aspects of this problem a member of the Committee on Economic and Monetary Affairs should be invited to participate, and I have here, Madam President, a copy of the letter, which is dated 3 June 1980. Since then, we have heard nothing from the Committee on Social Affairs and Employment. We have not been invited to take any part in their deliberations on these highly technical and complex matters, and indeed the first thing we heard was that two weeks ago we received their final report.

I concede that the opinion of the Committee on Economic and Monetary Affairs is bound into that report, but having studied the report most carefully with my colleagues, I have come to the conclusion that the Committee on Social Affairs and Employment has not taken account of it. Now I wish to choose my words with precision, Madam President, because quite clearly no-one would wish to suggest that the committee responsible is in any sense bound by the opinion of the committee asked for its opinion. On the other hand, I imagine that you, Madam President, would not have sent this report to the Committee on Economic and Monetary Affairs for its opinion unless you wished the Committee on Social Affairs and Employment to take serious account of the views of the Committee on Economic and Monetary Affairs; and I really must put it to you, Madam President, that the very serious report from the Committee on Economic and Monetary Affairs has not been taken account of.

Now there are two courses now open to this House. I have tabled amendments both to the draft directive and to the report, and I have tabled them on my own authority and without the authority of the Committee on Economic and Monetary Affairs. I have done this simply because there has been no meeting of the Committee on Economic and Monetary Affairs since we received the report of the Committee on Social Affairs and Employment before this plenary sitting. I can, however, assure the House that the amendments which I have tabled exactly reflect the opinion which was unanimously approved at a large meeting of the Committee on Economic and Monetary Affairs 18 months ago.

This House can now proceed to vote upon these amendments if it so desires. I would put it to you, Madam President, that this is probably not a correct procedure. It puts the Members of the House in the awkward position of having to choose between the views of the Committee on Economic and Monetary

Hopper

Affairs and of the Committee on Social Affairs and Employment on highly technical and complex matters. Indeed, it is something the House should not be asked to do unless we proceed to a full debate of these very complex and technical matters, for how can the Members here make up their mind? I would suggest that it is preferable to refer the matter to committee so that the fiscal aspects can be discussed between the two committees.

In doing so, I would like to reiterate to Mrs Salish that I do not in any sense oppose her report. I think it is an excellent report; I think it is a report that the House must endorse; and I am of course aware that she has the difficulty of having just been made rapporteur in place of Mr Oehler, and I therefore apologize for perhaps surprising her this morning with these statements. I did try to make contact with her yesterday and again this morning, but, probably through my own fault, was unable to do so.

President. — We therefore have a request from Mr Hopper for reference to committee.

I call Mrs Salisch.

Mrs Salisch, deputy rapporteur. — (DE) I am opposed to this. Mr Hopper, your statement this morning did not surprise me as much as you evidently think. I was quite prepared for it and I have this to say about it: the question which you raise, also in your amendments, has been discussed very thoroughly, and I cannot imagine our reaching further conclusions on the subject in committee. The Committee on Social Affairs and Employment believes that taxation should be subject to a single principle. You are now proposing on your own behalf, as you have just said, a departure from this principle and advocating the option of taxation either in the country in which a person works or in the country where he lives. I have grave doubts about your proposal and feel we should vote today. The matter has been adequately discussed, and I believe we can take a decision today. I would ask you, Mr Hopper, to withdraw your amendments: that would undoubtedly be a good thing for all of us.

President. — I call the Committee on Economic and Monetary Affairs.

Mr Hopper, draftsman of an opinion. — Madam President, I wish to speak on a point of order.

I would, of course, be delighted if we voted on this matter, Madam President, but how can the House be expected to vote on highly technical matters when it doesn't even know the arguments for and against?

President. — The Rules of Procedure do not state that the House can only vote when everyone has familiarized himself with the matter in hand. Mr Hopper, you have requested a reference to committee: I am obliged to put it to the vote.

(Parliament rejected the request for reference to committee)

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

Mr Estgen. — (FR) Madam President, ladies and gentlemen, since the free movement of persons is an essential objective of the Community according to the Treaties, the implementation of these measures deserves to be studied with particular reference to frontier workers, who are indeed, as Mrs Salisch remarked, Community workers *par excellence*.

This group of our fellow-citizens is daily confronted with the question whether the term 'Community' has a real meaning or not. Every day they have direct experience of the fact that the frontiers between our Member States are still nothing but political boundaries, examples of anachronistic pettiness — that is, discriminatory barriers between the citizens of Europe; and they are aware that, in our Europe which is still searching for its identity, what is truth and equality on one side of a frontier is not necessarily truth and equality on the other side.

I come from a country which, in view of its size, can be considered as one large frontier region. I am therefore particularly sensitive to the problems we are now addressing. Since it is one of the great principles of our Community that there should be no discrimination between natives of one country and workers coming from another member country, this principle should necessarily be applied to the social situation and fiscal problems of frontier workers.

As we know, a salaried worker who is taxed in the country where he works can be subject to certain disadvantages due to the fact that most countries use different systems of taxation for residents and for non-residents. Naturally, there can be no question of giving non-resident workers more favourable tax treatment than that enjoyed by resident workers.

The Group of the European People's Party is pleased with the Commission's draft directive on the harmonization of income-tax measures, and we support it because, without restricting the freedom of Member States in regard to fiscal policy, it moves in the direction of greater social justice, aiming at the elimination of measures which in reality constitute discrimination on the basis of nationality.

On behalf of the European People's Party, I would particularly like to give my full support to Mr Oehler's

Estgen

report and motion for a resolution, which identifies measures needed to deal with the problems concerning this group of workers. Even though the report does not cover all these problems — which are very numerous and, unfortunately still unsolved — I wish to congratulate the rapporteur on his excellent work, which provides the basis for a series of coherent measures which, if accomplished, will not fail to produce effective results in the medium term. The Christian European People's Party shares the rapporteur's approach in calling for a fair Community regional policy to coordinate the national and regional policies of the Member States in order to promote productive investments and stabilize employment in the frontier regions, traditional sources of labour. In this framework, the instrument of interregional cooperation can help to coordinate the most effective measures needed to normalize the flux of supply and demand on the labour market.

The problems concerning frontier workers must, of course, be placed in a broader framework covering emigrant workers and their families, a problem which must receive an overall response embracing security of employment and social security.

The solutions proposed in respect of employment are also acceptable to us, for the European People's Party, in the resolution on priorities for social policy adopted by this Parliament, has already stressed the importance of the connection between vocational training, especially for young people, women, and the unemployed — and nowadays vocational training includes instruction in languages — and the possibility of finding work.

On the subject of unemployment, which unfortunately is a sad refrain in this Chamber, the European People's Party, in the September debate on employment, the labour market, and the organization of working-time, suggested in its amendment calling for a European employment agency — an amendment which was adopted by this Parliament — certain possibilities for international cooperation between employment agencies and other institutional structures in the search for new places of employment.

On the question of social security, while confirming the validity of Regulation 1408/71 on the social security systems of Community workers, we reaffirm the need to harmonize these systems further, irrespective of whether they concern migrant or seasonal frontier workers. In this regard, the Christian-Democratic Group insisted that Mr Oehler's motion for a resolution include a political point of the EPP which has been several times championed by Mr Ghergo — namely the call to standardize the Community system of family allowances for families residing in a Member State other than the one where employment has been obtained, irrespective of where this employment is pursued.

Concerning the section of the motion dealing with taxes, we agree, as I said a moment ago, on the need to harmonize the systems of taxation in order to encourage further the free movement of workers within the Community and to abolish discrimination between resident and non-resident workers. We must, however, insist on the fact, already mentioned in the opinion of the Committee on Economic and Monetary Affairs, that the country providing employment has a moral right to benefit from a large part of the tax revenues coming from the frontier worker, whether the income tax is paid in the country of residence or in the country of employment, since the latter must be responsible for the infrastructural expenses directly or indirectly occasioned by frontier workers.

To sum up, Madam President, Mr Oehler's report seems to mark a Community advance towards increased equality and social justice, and this is the trend favoured by the Christian Democrats. We will not fail to give our vigorous support to the views contained in this resolution.

President. — I call the European Democratic Group.

Mr Patterson. — Madam President, as Mrs Salisch has explained, this report covers two particular matters — first of all, the motion for a resolution covering the general problems of frontier workers, which is appended at the back of the report, and secondly, and quite separately, the proposal for a directive dealing with the specific matter of income tax on frontier workers. Now, as far as my group is concerned, we are entirely happy with the bulk of the report concerning the first of these two — the general problems of frontier workers — although, Madam President, I must point out that in the English-language version paragraphs 27 (a), (b) and (c) are all missing. Perhaps they could be distributed in due course.

However, as my colleague Mr Hopper, said, the section dealing with taxation is not satisfactory, and I must ask Mrs Salisch how she can be so sure that the Committee on Social Affairs and Employment would have rejected the Hopper amendments, because, as far as I know, the committee has never seen or discussed them.

Let us take the issue, for example, of a definition of frontier workers. Hitherto it has been based on a geographical definition of frontier zones. The Commission proposes in Article 3 that a frontier worker means any individual who is resident in another Member State to which he returns as a rule daily. Now it may seem quite sensible that if you have got to define a frontier worker, it is some one who commutes daily across the frontier. However, the problems do arise if you take this in conjunction with the provisions of Article 4 of the Commission proposal, that the employment income of a frontier worker shall be subject to tax in the Member State of

Patterson

which he is a resident. This would place him in a completely different category from other migrant workers who are taxed and indeed, as we have been insisting, have their social security covered in the country of employment. Therefore the difference between a frontier worker and another migrant worker would be the frequency with which he or she crosses the frontier. Moreover, this would decide whether his income was taxed in the country of residence or the country of employment.

If you turn to Mr Oehler's report, you will see that he makes this point. Paragraph 43 considers it illogical that one and the same person can be regarded as a frontier worker for the purposes of some provisions but not for the purposes of others, owing to the introduction of the criterion of frequency of passage at the frontier, which may provoke conflicts between taxpayers and tax authorities. That is absolutely correct, and it is what the committee believes.

When, however, you turn to the amendment proposed by the Committee on Social Affairs and Employment, you will find that they do nothing about this. All they do is to add a new phrase, so that the definition of a frontier worker becomes: somebody who travels backwards and forwards as a rule daily, or at least once a week. Mr Hopper said that from a legal point of view it would be an awkward criterion even if you had the words 'once daily'. If, however, you introduce the phrase 'as a rule daily or at least once a week', what on earth are the tax authorities to make of it? Who is going to do the counting? Who decides whether it is daily or once a week? It is introducing complete chaos into the tax régimes of various Member States.

Coming as we do from the United Kingdom, it might be felt that we should not interfere in a matter which, after all, primarily affects Frenchmen, Germans and those from the Benelux countries. But I must point out that there are perfectly good arrangements for this kind of thing between the United Kingdom Government and the Government of the Irish Republic and a similar arrangement between Denmark and Germany, and these would be disturbed by the introduction of this draft directive. In other words, not all frontier regions are the same. A solution which would be perfectly good for the French, the Benelux citizens and the Germans on their frontiers would, in fact, be quite wrong on the frontier between the United Kingdom and the Irish Republic. It is for that reason that we ask the House to support the amendment tabled by the Committee on Economic and Monetary Affairs — Mr Hopper's amendment. If that amendment is not adopted, I shall have to ask my group to vote against the Commission proposal, because it would be a great interference in the tax arrangements which we have and which work perfectly adequately.

As regards the committee's report, unfortunately we cannot now refer it back, so all I can do is ask my

group to oppose that as well unless the amendments are adopted.

President. — I call Mr Notenboom.

Mr Notenboom. — (NL) Madam President, I should like to add a few words, because I feel the need to stress that in my region too this is not a theoretical problem but one which affects thousands of people every day. I live in the Meuse-Rhine-North frontier region, where I cooperate closely with Mr van Aerssen. In 1978, we tabled written questions on these distortions in the field of income taxes. It was chiefly these written questions that prompted the proposal which the Commission has now put forward and for which I should like to thank it.

We also have a great deal to do with the Rhine-Meuse Euregio, as does Mr Schinzel. In this case, the problems are far more complicated because we are dealing with German-Dutch, German-Belgian, Belgian-Dutch relations and *vice versa*. This involves six different sets of problems in a very small area of Europe, problems which are experienced daily by the people who live there.

It is not only, as Mrs Salisch has just said, that they do not receive equal treatment or that they are treated unfairly but that — and this must be emphasized at this time of high unemployment — these problems also add to the number of people out of work, because people cannot be expected to work under very unequal and unjust conditions. Jobs that are available may not therefore be accepted. Mobility is obstructed, and this reduced mobility results in thousands of jobs needlessly remaining vacant. That is what we find in our regions, and it shows that this Commission proposal is important and has been put forward at the right time.

I agree with other speakers that the solution is not ideal and very much regret the dispute between the Committee on Social Affairs and Employment and the Committee on Economic and Monetary Affairs. I think the Committee on Social Affairs and Employment has drawn up a good report, but I do not find the objections raised by the Committee on Economic and Monetary Affairs pointless. This has a great deal to do with the way, Madam President, in which responsibilities are allocated to the committees. I will not say anything about that today: it would be too complicated. I would, however, encourage the Commission and Council to continue along this path and to carry harmonization further. Mistakes may well have been made, but they can be corrected. We can only proceed by trial and error, but we must continue with this general harmonization, because if the general spirit of continuing fiscal and social harmonization is not maintained, this partial harmonization will not succeed either. The *conditio sine qua non* is this ever-

Notenboom

increasing harmonization in the area of taxation. And determination has weakened in Parliament. The will to harmonize appropriate forms of taxation — not all of them, that would be going too far — is now weaker in this Parliament than it was five years ago. I find that regrettable. It is extremely important for this harmonization to continue, partly because of the employment situation. Here and there we have bilateral agreements, which work reasonably well, but there is a far greater need for Community directives like the one that is now proposed. And I am well aware, Mr Patterson, that one system would be better in one frontier region and another would be better in the next, but everywhere there is a need for harmonization. I believe it is better to seek Community solutions, even though initially rather greater scope must be allowed to take account of the peculiarities of certain regions and their own specific circumstances.

I should also like to ask the Commissioner whether the Commission intends to look into the distortions which this directive cannot eliminate. May I remind him, for example, of a very annoying situation in our regions? Men who have worked in the mines in Belgium and have opted for early retirement must continue to pay premiums under the General Old Age Pensions Act in the Netherlands, even though they are unlikely ever to have a right to a Dutch old-age pension. This is a distortion which is not covered by the directive. As you see, there are many more inequities than those discussed today, but if just one letter on this frontier problem could be sent from Brussels to The Hague, it would be much appreciated.

There remains a very great deal to be done before all these frontier problems are overcome, and I fully endorse what Mrs Salisch has said about this. In the area in which I live and work, thousands of people yearn for solutions to these problems. These people sometimes make large financial contributions towards the setting up of committees for frontier workers and hiring experts, which shows, ladies and gentlemen, how badly affected they are by these problems, some of which could be solved by this directive.

President. — I call the Socialist Group

Mr Schinzel. — (DE) Madam President, ladies and gentlemen, we naturally endorse in principle the report by Mr Oehler and Mrs Salisch. But if Mr Notenboom, a number of other Members and I came forward with all the anomalies that still exist at the Community's internal frontiers, the result would fill a sizeable volume. And the problem is that we have had this volume for many, many years, and there has been very little change in that time. What we want are not just appeals and general agreement on harmonization; what we want is action after all this time. We want to see the Commission proceeding systematically, ticking off each item, one by one. I would rather see two or

three items checked off within a given period than hear in ten years' time how many items there are in all and that nothing has been done.

My second point is that the Council, which cannot, of course, agree even on the big European problems and is in fact blocking policy, is naturally holding many things up in the interregional sector. We ought to be receiving more assistance in creating a legal area so that we can at last work on an interregional basis.

It is simply not enough to call on paper for trans-frontier regional and development plans when we know that no one will approve them, not even the Federal Land concerned, and then the Federal Government itself comes along and says it is not as easy as that. By the time we have then persuaded our own bureaucracy that it can be done, another five or ten years have passed, and the problems have not changed: they have only become worse. What we want is the removal of the practical effects of the frontiers — not just frontier checks, Mr Narjes, we want it made easier to cross frontiers. This means we must also abandon a system under which we compete with each other in certain areas where this is senseless. The frontier regions are as a rule structurally weak areas, and in my own region, where three countries meet — Germany, Belgium and the Netherlands — it can very easily happen that the environmental protection provisions applied in one country are purposely different from those applied in another. This encourages firms to move from one country to the other, leaving workers unemployed on one side of the frontier and creating jobs on the other. The net result for the frontier regions is the same. It simply costs the people of Europe money, because tax concessions and so on are again granted for the siting of new industry. There are many anomalies of this kind which are to the detriment of the workers. It is therefore absolutely essential to make the frontiers easier to cross.

I expect this report to prompt the Commission to put forward practical proposals on how this can be done, what demands should be made of the governments, so that exemplary trans-frontier projects in the frontier regions can in fact be implemented.

To conclude — so as not to leave us completely on our own, Mr Narjes — I was very surprised to find you, or the Commission, responding to a decision taken almost unanimously by Parliament on the reduction of frontier checks with the words: 'We have noted the decision.' The Commission can respond in various ways, but it has simply noted this decision. We will not be satisfied with that. We expect you to take practical, specific steps over a given period to reduce frontier checks, because the people we are talking about here are the first to notice that there are still frontiers and frontier checks. It is above all for these people that we should be doing this and doing it as soon as possible. We expect the Commission to take practical steps at the earliest possible opportunity to

Schinzel

implement Parliament's decision to reduce frontier checks in the European Community.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Madam President, Mr Oehler's and Mrs Salisch's report is so comprehensive and so outstanding that we could devote a whole day's debate to it. Many of the points it raises would justify such treatment. In view of the late hour, however, I believe I must confine myself to a few very brief remarks.

As Mr Schinzel has demanded, we are in the process of doing away with the frontiers item by item. That is why 88 proposals still await a decision by the Council: you should know what is involved! No one stands to profit more from the reduction of frontier checks than the frontier regions themselves.

We are very well aware that there is more to a frontier than the reduction of checks. It is, if you like, the point at which national jurisdiction comes to an end and therefore an obstacle to integrated trans-frontier development in the two adjacent areas of the countries concerned. We are very well aware of that, and the problem lies in our limited powers and financial resources. We must realize that, but we shall do our very best.

The solution which is proposed here and is the subject of some controversy basically consists in an arrangement for frontier workers, for which the Commission sees an urgent need, in the form of a uniform directive on the taxation of these workers. The Commission considers this essential.

President. — The debate is closed. We proceed to the vote.

(...)

Article 4 (1): Amendment No 1

Mrs Salisch, deputy rapporteur. — (DE) I am opposed to this amendment, Madam President. I should like to take this opportunity to point out that the principle mentioned in Mr Hopper's amendments — and his amendments should be considered together — has already been discussed in the Committee on Social Affairs and Employment, although Mr Patterson was not a member of the committee at the time.¹

(...)

After the rejection of Article 9

¹ In addition, the rapporteur spoke against Amendment No 2.

Mr Bangemann. — (DE) I am not quite sure whether I can request this at this late stage, but I believe the members of the Conservative Group would also consider this to be the more reasonable procedure now. In these circumstances, it would probably be better to send the report back to the committee, because it is mutilated now. It is no longer logical or cohesive in any way, whatever one's personal views on the subject are. I therefore request that the report be referred to committee.

President. — I am sorry, Mr Bangemann, but we have already voted on the question of reference to committee.

I call Mr Patterson.

Mr Patterson. — Madam President, as Mr Bangemann has said, it would have been much preferable for this to have gone back to committee, so that we could have considered the opinion of the Committee on Economic and Monetary Affairs. But, as you say, we cannot do that now. There is only one way we can do it, and that is to complete the vote on the directive and then ask Mrs Salisch or the committee chairman to request the reference to committee after we have heard the Commissioner. We can do it under a different rule, and I think that would be much the most sensible thing now to do.

President. — According to the Rules of Procedure,

Before or during a debate on an item on the agenda, any Member may move that the debate be adjourned to a specific date and time.

I call Mr Hopper.

Mr Hopper, draftsman of an opinion. — Madam President, I reiterate what I said at the beginning, that the action I proposed is in no sense contrary to this excellent report; nor am I trying to impose the view of the Committee on Economic and Monetary Affairs on the Committee on Social Affairs and Employment; but I think my point that adequate consultation did not occur is a good one, and the fact that this letter, issued with the authority of Mr Jacques Delors, was never replied to and that no member of my committee was invited to attend the Committee on Social Affairs and Employment is an indication that this is so. But I must say to Mrs Salisch that we have the greatest goodwill for her report. The problem about adjourning is that I do not see how consultation can occur, because we shall simply be back where we were when it next comes up in the committee.

I wonder if it cannot be sent back under Rule 85, which is different from Rule 35, on which we previously voted.

President. — I call Mrs Salisch.

Mrs Salisch, deputy rapporteur. — (DE) Madam President, the best way now would be to suspend the debate and to revert to this matter at a later date. I find it regrettable, of course, and could not have foreseen that the British Conservatives would go so far as to delete Article 9 from the directive.

What Mr Hopper has just said is correct. Suspending the debate will not open the way for official consultations between the two committees. It will not therefore change very much. I nevertheless feel we must discuss this question, and perhaps there will be an opportunity of doing this unofficially, and the suspension of the debate would help in this respect.

I should like to say at this juncture, however, how regrettable I find it that a political group which, in addition to all else, does not have problems with frontier workers in its own country, should play up this question in this way. I find this extremely regrettable, particularly as we have discussed so far-reaching a subject today.

President. — I call Mr Bangemann.

Mr Bangemann. — (DE) I feel Mrs Salisch should reconsider her proposal. If we suspend the debate now, we shall face the same procedural situation when it is resumed. In my opinion, we should reject the whole proposal now. Then it will go back to the committee automatically, and the committee can put forward another proposal. And the consultations with the Committee on Economic and Monetary Affairs can also take place.

President. — I call Mrs Salisch.

Mrs Salisch, deputy rapporteur. — (DE) Madam President, I do not really think we can be expected to agree to the procedure Mr Bangemann has proposed. I know he meant well in making this request, but I wonder whether my compromise proposal is not the more acceptable way of creating the means to discuss the directive again. We have been working on this subject very meticulously for many months.

I completely fail to understand how it can be claimed today that this question has not been discussed. It is really too late now to go into the matter again, nor can I reasonably expect Mr Oehler to agree to this course being adopted. It is an extremely tricky business, that I am willing to admit.

I therefore feel we should suspend the debate and in the meantime seek a solution as to how we should proceed. It may be that in the end we have no alterna-

tive to doing what you, Mr Bangemann, have proposed, but I ask you to agree today to the suspension of the debate.

President. — I think there is little point in involving ourselves now in question of procedure. We have a request for adjournment, and on this we shall vote. If the House rejects this request, we shall vote on the directive, and those who do not want it can vote against. Our Rules of Procedure are extremely precise and, perhaps, not as flexible as they might be, but they are what they are. At the point we have reached now, I think this is the procedure we have to follow.

(Parliament rejected, in succession, the request for adjournment and the amended proposal for a directive)

Pursuant to Rule 35, I ask the Commission whether it is prepared to withdraw its proposal for a directive.

Mr Narjes, Member of the Commission. — (FR) No, Madam President.

(Pursuant to Rule 35, Parliament decided not to vote on the motion for a resolution and to refer the matter once more to the appropriate committee)

12. Work on DNA

President. — The next item is the report by Mr Cera-
volo, on behalf of the Committee on the Environment,
Public Health and Consumer Protection (Doc. 1-810/
81), on

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).

Mrs Squarcialupi, who is deputizing for the rapporteur, has informed me that she has nothing to add to the written report. There will therefore be no oral presentation of the report.

I call Mrs Lentz-Cornette.

Mrs Lentz-Cornette. — (FR) Madam President, I wanted to ask whether we could not, in the absence of the rapporteur, defer this report until next year.

President. — I call the Committee on the Environment, Public Health and Consumer Protection.

Mr Collins, chairman of the Committee on the Environment, Public Health and Consumer Protection. — I wish to support what Mrs Lentz-Cornette has said, Madam President. I really see very little point in debating it at this stage, and I do think it would be fairer to

Collins

Mr Ceravolo and fairer to my committee to take it on the next agenda.

Having said that, Madam President, can I extend my best wishes for the New Year to you?

(Parliament acceded to this request)¹

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President. — I call Sir James Scott-Hopkins.

Sir James Scott-Hopkins. — I am sure this is slightly out of order, Madam President, but we have certain troubles over transport and so on and I would like to take this opportunity, on behalf of myself personally, and that of my group, to thank you — I think this is the last time at this session you will be in the chair — for all the work you have done on behalf of the Parliament as its President during the last two-and-a-half years . . .

(Applause)

. . . and as somebody who has done so much good, as you have done, Madam President, for the image of Parliament, both here in the Community and in your overseas trips to other countries. You have enhanced our reputation enormously, and we would all of us wish to thank you very much.

It is perhaps appropriate that I should be the first to get to my feet. I know that some honourable Members may have caused you a little anxiety over various points of order during the past two-and-a-half years, and indeed this morning is no exception to the rule. I can assure you, Madam President, we were doing what we did solely to try to improve the working of this House, and we thank you for your tolerance in dealing with them and in dealing with all my colleagues in the House. I am sure I speak for everybody here when I thank you enormously for the work you have done over these two-and-a-half years. May I conclude by wishing you a very happy Christmas and a very prosperous New Year.

(Applause)

President. — I call Mr Arndt.

Mr Arndt. — *(DE)* Madam President, on behalf of the Socialist Group I should like to offer you our sincere thanks at the end of 1981 and also at the end of the first half of the life of this Parliament. I am glad

I can do this among familiar faces, because again and again it is the same people who take their leave in this way at the same time on a Friday afternoon.

I believe Parliament has in many ways settled down in the last two-and-a-half years. When we think back to the chaotic arguments of the first few months and then look at what we have achieved together this year in matters relating both to the institutions and to the budget, I consider we have done a very great deal, and for this we owe you a great debt of gratitude. You have made a substantial contribution to the process of Parliament finding its feet.

On behalf of the Socialist Group, therefore, I should like to thank you for the work you have done and express the hope that we can look forward to your participation in the activities of this Parliament in the future.

(Applause)

President. — Thank you very much. I should like to convey my best wishes to you for Christmas and the New Year. We shall in any case continue to work together, since I shall be taking my seat on the floor of this House and it will be a great pleasure for me to profit from the opportunity to make a full contribution to the work of this Parliament.

This is an opportune moment for me to convey my best wishes also to those who, throughout the year, have enabled this Parliament to do its work in the best possible conditions, even though it is difficult, as we know, in view of various necessities to which this Parliament is subjected — the fact that we have seven working languages and three places of work — to ensure that it always functions as satisfactorily as we would wish.

I wish to thank, first of all, all our colleagues for the enthusiasm they have put into their work as parliamentarians and, naturally, all those officials who, up to the last minute, are there to help us and promote our work, not only materially but also, I would say, intellectually, and this it is important to emphasize. I should also like to convey my best wishes to the journalists who make it possible for our work to become known to the outside world: for a Parliament, obviously, this is essential.

A Happy New Year to everyone!

(Applause)

13. *Adjournment of the session*

President. — I declare the session of the European Parliament adjourned.

(The sitting closed at 1.05 p.m.)

¹ For items concerning membership of Parliament, tabling of amendments, entries in the register under Rule 49, forwarding of resolutions adopted during the sitting, and dates for the next part-session, see the Minutes.

ANNEX

Communication from the Commission to the Council and the European Parliament on the conciliation procedure

I. On 4 March 1975, by a Joint Declaration¹, the European Parliament, the Council and the Commission instituted a conciliation procedure between the three institutions designed to enable Parliament to participate more effectively in the adoption of certain important Community acts having appreciable financial consequences.

Although the application of this procedure has sometimes succeeded in bringing the respective positions of Parliament and the Council closer together, it is generally admitted that in most cases it has not functioned satisfactorily. In their report of October 1979 on the European Institutions, the Three Wise Men produced a faultless analysis of the difficulties attaching to the procedure and also put forward a number of suggestions for its improvement.²

At the meeting between the Ministers of Foreign Affairs held in Strasbourg on 17 November 1981, the enlarged Bureau of the European Parliament and the Commission, the President-in-Office of the Council, referring to the inadequacy of the procedure, pointed out that it was difficult to reconcile the contradictory positions of the two institutions, as the procedure was rather long and detailed rules for its application had not been clearly established.

In more general terms, the procedure had failed to satisfy Parliament's expectations in that 'Parliament never felt that it was involved in a real dialogue with Council members, although this was the *raison d'être* of the declaration in the Commission's view'.³

Finally, the European Parliament, having now been elected by universal suffrage, has called for the procedure to be extended to cover all important Community acts, whether or not they have appreciable financial consequences, and has criticized the present system, under which, in practice, the procedure is opened only if both parties have agreed that it is applicable.

II. It was for this reason that the Commission, in the abovementioned communication of 7 October 1981, proposed that the European Parliament and the Council 'review the procedure with a view to making it really effective'.

The attached draft second Joint Declaration is intended to achieve this aim.

It aims first of all to extend the procedure to cover all important Community acts, in accordance with Parliament's wishes.

Secondly, it stipulates that the procedure must be initiated at the request of any one of the three institutions.

It lays down a standard procedure, in two stages, from which the presidents of the three institutions may derogate in special cases or which they may amplify by means of special provisions.

The first meeting of the Conciliation Committee is to be held at as advanced a stage as possible, as soon as the members of the Council have studied the Commission's proposal in sufficient depth to be able to hold a useful discussion with the representatives of Parliament and the Commission. Even at the second and last meeting of the Conciliation Committee, should such a meeting prove necessary, the joint guidelines laid down by the Council should leave scope for several possible options and thus allow a useful and fruitful discussion to develop.

After the final meeting, there will be a time-interval, during which Parliament may deliver a new opinion and at the end of which the Council is entitled to take definitive action.

The Commission believes that these improvements should strengthen the institutional rôle of Parliament without making the Community's decision-making process more cumbersome.

III. As was suggested by the President of the Commission and the Commissioner responsible for relations with the European Parliament at the meeting of 17 November 1981 in Strasbourg, the Commission believes that its draft for a new joint declaration should be the subject of a special examination procedure. In this end the three institutions could agree to appoint top-level representatives who would have the task of considering the Commission's proposal, seeking to find common ground on the proposed amendments and submitting a report. It goes without saying that the setting up of this *ad hoc* group would be entirely without prejudice to future developments and each institution would remain free to define its own position on the basis of the group's report.

The Commission feels that these proposed arrangements should enable an early and satisfactory agreement to be reached on the improvements to the conciliation procedure which the three institutions consider necessary.

¹ OJ No C 89, 22 April 1975, p. 1.

² P. 80, Annex 3 of the report.

³ Communication of the Commission on relations between the institutions of the Community (COM(81) 581 final of 7 October 1981).

Draft

SECOND JOINT DECLARATION

of the European Parliament, the Council and the Commission on the conciliation procedure

THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE COMMISSION

Whereas in a joint declaration of 4 March 1975¹ the three Institutions instituted a conciliation procedure to ensure the effective participation of the European Parliament in the procedure for preparing and adopting decisions which give rise to important expenditure or revenue to be charged or credited to the budget of the European Communities;

Whereas following the election of the Members of the European Parliament by direct universal suffrage it is fitting that the rôle of that Institution in the legislative process of the Community should be strengthened; whereas to that end the conciliation procedure should be extended to cover important decisions other than those for which it was originally intended;

Whereas account must be taken of experience already acquired in order to improve the implementing provisions of that procedure;

HAVE AGREED AS FOLLOWS:

1. The conciliation procedure shall be followed for Community acts of general application which have appreciable importance for the Community, and of which the adoption is not required by virtue of acts already in existence.
2. The procedure shall be initiated at the request of the European Parliament, the Council or the Commission.
3. The aim of the procedure shall be to seek an agreement between the European Parliament and the Council.
4. The conciliation shall take place in a 'Conciliation Committee' consisting of representatives of the European Parliament, the Council and the Commission.
5. Save where the Presidents of the three Institutions concerned take a specific decision on the timetable and provisions of the conciliation procedure in respect of a particular case, the conciliation procedure shall be carried out in the following manner:
 - (a) an initial meeting of the Conciliation Committee may be held once the Council, having received the Opinion of the European Parliament, has defined the major problems raised by the Commission's proposal and the solutions that might be applied thereto;
 - (b) on the basis of the findings of the Conciliation Committee, the Council may either take definitive action or set out common guidelines, possibly accompanied by alternatives, in respect of the proposal under discussion;
 - (c) these common guidelines shall be submitted to the Conciliation Committee;
 - (d) the European Parliament may deliver a new Opinion on the Commission's proposal during a period not exceeding three months following the second meeting of the Conciliation Committee;

- (e) on the expiry of that time-limit, or as soon as it has received Parliament's new Opinion, the Council may take definitive action.
- 6. During the conciliation procedure, the Presidents of the three Institutions concerned shall take all measures required to facilitate the proceedings and enable the objective laid down in paragraph 3 to be attained. In particular, they may convene additional meetings of the Conciliation Committee.
- 7. This joint declaration replaces the Joint Declaration of 4 March 1975.

¹ OJ No C 89, 22 April 1975, p. 1.



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