

Annex

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1980-1981 Session

Report of Proceedings

from 15 to 19 December 1980

European Centre, Luxembourg

**Contents**

<b>Monday, 15 December 1980</b> . . . . .	<b>1</b>
Resumption of session, p. 2 — Earthquake in Italy, p. 2 — Credentials, p. 3 — Committees, p. 3 — Petitions, p. 3 — Documents, p. 3 — Texts of treaties, p. 3 — Transfer of appropriations, p. 3 — Authorization of reports — Reference to committee, p. 3 — Statement on certain motions for resolutions, p. 3 — Ad hoc Committee on Women's Rights, p. 4 — Election of a Quaestor, p. 4 — Order of business, p. 4 — Speaking Time, p. 7 — Time-limit for tabling amendments, p. 8 — Procedure without report, p. 8 — Electronic vote, p. 8 — Action taken on Parliament's opinions, p. 8 — GSP, p. 9 — Agricultural provisions relating to Greece's accession, p. 9 — EAGGF Special Committee of Enquiry, p. 13 — European Regional Development Fund, p. 17 — Urgent debate, p. 23 — Greece's contribution to the cost of the financial mechanism, p. 23 — Urgent debate, p. 25 — Question-time, p. 25 — Next sitting, p. 39 — Annex, p. 40	
<b>Tuesday, 16 December 1980</b> . . . . .	<b>43</b>
Documents, p. 44 — Decision on urgent procedure, p. 44 — Agenda, p. 44 — 1981 draft general budget — Earthquake in Italy, p. 45 — Minutes, p. 75 — Votes, p. 75 — 1981 draft general budget — Earthquake in Italy (contd), p. 77 — Agenda, p. 107 — Urgent debate, p. 107 — Next sitting, p. 108	
<b>Wednesday, 17 December 1980</b> . . . . .	<b>109</b>
Minutes, p. 110 — Documents, p. 110 — Urgent debate, p. 110 — European Council — Luxembourg presidency — Situation in Poland, p. 115 — European motor-vehicle industry, p. 152 — Question-time, p. 160 — Urgent debate, p. 173 — Next sitting, p. 174 — Annex, p. 175	

(Continued overleaf)

## NOTE TO READER

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

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

## Contents (continued)

### Thursday, 18 December 1980 . . . . . 191

Minutes, p. 193 — Documents, p. 193 — Decision on urgent procedure, p. 193 — Supplementary budget No 2 for 1980 (vote), p. 197 — Letters of amendment Nos 2 and 3 (vote), p. 201 — 1981 draft general budget (vote), p. 201 — Agenda, p. 219 — Votes, p. 219 — Election of a Quaestor, p. 225 — Rate of ECSC levies for 1981, p. 225 — Election of a Quaestor (contd), p. 231 — Community loans to Member States, p. 231 — Pre-accession aid for Portugal, p. 233 — Urgent debate, p. 238 — Protection of workers from exposure to lead, p. 238 — Application of social security schemes to employed workers, p. 251 — Income support for ship-building workers, p. 257 — Commercial transactions, p. 261 — Next sitting, p. 266 — Annex, p. 267

### Friday, 19 December 1980 . . . . . 268

Minutes, p. 270 — Documents, p. 270 — Membership of Parliament, p. 270 — Committees, p. 270 — Petitions, p. 270 — Transfer of appropriations, p. 270 — Procedure without report, p. 270 — Decision on urgent procedure, p. 270 — Training in farming and rural life, p. 271 — Farming incomes in Ireland, p. 271 — Meeting-place of Parliament, p. 277 — Customs clearance of steel products, p. 281 — Membership of the Court of Auditors, p. 282 — Votes, p. 282 — Fisheries policy, p. 290 — Membership of the political groups, p. 305 — Peat, p. 305 — Tariff quotas for beef and veal, p. 306 — Consumption of manufactured tobacco, p. 306 — Olive oil and agricultural products, p. 306 — Relations with Greece in the field of transport, p. 306 — Next part-session, p. 309 — Minutes, p. 309 — Adjournment, p. 309

*Resolutions adopted at sittings of 15 to 19 December 1980 appear in the Official Journal of the European Communities C 346 of 31. 12. 1980.*

## SITTING OF MONDAY, 15 DECEMBER 1980

1. Resumption of the session . . . . .	2	19. Community's generalized tariff preferences — Report by Mr Pearce (Doc. 1-545/80) (continuation of vote):	
2. Earthquake in Italy . . . . .	2	Mr Pearce, rapporteur . . . . .	9
3. Membership of Parliament — Verification of credentials . . . . .	3	Explanation of vote: Mrs Kellett-Bowman . . . . .	9
4. Membership of committees . . . . .	3	Adoption of the motion for a resolution . . . . .	9
5. Petitions . . . . .	3	20. Agricultural provisions of the Act of Accession of Greece to the Communities — Report by Mr Gatto (Committee on Agriculture) (Doc. 1-688/80):	
6. Documents received . . . . .	3	Mr Sutra, deputy rapporteur . . . . .	9
7. Texts of treaties forwarded by the Council . . . . .	3	Mr Ligios; Mr Pranchère; Mr Delatte; Mrs Fourcade; Mr Natali (Commission) . . . . .	10
8. Transfer of appropriations . . . . .	3	21. Special committee of inquiry concerning the EAGGF — Report by Mr Battersby (Committee on Budgetary Control) (Doc. 1- 166/80):	
9. Authorization of reports — Authorization to deliver an opinion . . . . .	3	Mr Battersby, rapporteur . . . . .	13
10. Statement on motions for resolutions . . . . .	3	Mr Sutra; Mr Dalsass; Mr Natali (Commis- sion) . . . . .	14
11. Extension of the mandate of the ad hoc Committee on Women's Rights . . . . .	4	22. Establishment of a European Regional Devel- opment Fund — Report by Mr Cronin (Committee on Regional Policy and Regional Planning) (Doc. 1-610/80):	
12. Election of a Quaestor: Mr Coppieters . . . . .	4	Mr Cronin, rapporteur . . . . .	17
13. Order of business: Mr Arndt; Sir Frederick Catherwood; Mr Pannella; Mr Pearce; Mr Arndt; Mrs Kellett-Bowman; Mr Dankert; Sir Henry Plumb; Mr Vernimmen; Mr Sutra; Mr Natali (Commission); Mr Klepsch; Sir Henry Plumb; Mr Sutra . . . . .	4	Mr Griffiths; Mr Pöttering; Mr Harris; Mr Davern; Mr Sutra; Mr Hutton; Mrs Ewing; Mr Giolitti (Commission) . . . . .	18
14. Speaking Time: Mr Pannella; Sir Henry Plumb . . . . .	7	23. Urgent procedure . . . . .	23
15. Deadline for tabling amendments . . . . .	8	24. Compensation of Greece for its contribution to the costs of the financial mechanism — Report by Mr Dankert (Committee on Bud- gets) (Doc. 1-703/80):	
16. Procedure without report . . . . .	8	Mr Dankert, rapporteur . . . . .	23
17. Electronic voting system . . . . .	8	Mr Notenboom; Mr Nord; Mr Burke (Commission); Mr Dankert . . . . .	24
18. Action taken by the Commission on the opinions and proposals of Parliament: Mr Coppieters; Mr Natali (Commission); Mr Moreland; Mr Natali . . . . .	8	25. Urgent procedure . . . . .	25

26.	Question Time (Doc. 686/80) . . . . .	25	<i>Mr Vredeling; Mr Michel; Mr Vredeling; Mr Galland; Mr Vredeling</i> . . . . .	32
	Questions to the Commission of the European Communities:		Question No 9, by Mr Megahy: Prevention of influence on domestic politics by EEC officials:	
	Question No 1, by Mr Combe: Effect of Japanese imports on the Community colour television industry:		<i>Mr Natali; Mr Megahy; Mr Natali; Mrs Hammerich; Mr Natali</i> . . . . .	32
	<i>Mr Natali (Commission); Mr Combe; Mr Davignon (Commission); Mr Marshall; Mr Davignon</i> . . . . .	25	Points of order: <i>Mrs Buchan; Mr Seal</i> . . . . .	33
	Question No 2, by Mr Cousté: Projected loan from the oil-producing countries:		<i>Mr Patterson; Mr Natali; Mrs Ewing; Mr Natali; Mr Moreland; Mr Natali; Mrs Kellett-Bowman; Mr Natali</i> . . . . .	34
	<i>Mr Vredeling (Commission); Mr Cousté; Mr Vredeling</i> . . . . .	26	Question No 10, by Mr Hutton: Appointment of a new director of forestry-Question No 13 by Mr Diana: The forestry policy of the European Community:	
	Question No 3, by Mr Deleau: Greece's entry into the Common Market:		<i>Mr Burke; Mr Hutton; Mr Burke; Mrs Buchan; Mr Burke; Mrs Ewing; Mr Burke; Mr Marshall; Mr Burke</i> . . . . .	35
	<i>Mr Davignon; Mr Deleau; Mr Davignon</i> . . . . .	27	Question No 11, by Mr Marshall: Doorstep sales of eggs:	
	Question No 5, by Mrs Vayssade: Protection from harmful exposure to lead:		<i>Mr Burke; Mr Marshall; Mr Burke</i> . . . . .	36
	<i>Mr Vredeling; Mrs Vayssade; Mr Vredeling; Mr De Goede; Mr Vredeling; Mrs Roudy; Mr Natali; Mrs Viehoff; Mr Vredeling</i> . . . . .	28	Question No 12, by Mrs Nielsen: Excessively high fares on scheduled flights:	
	Question No 6, by Mr Turcat: The establishment of European standards for telematics:		<i>Mr Burke; Mrs Nielsen; Mr Burke; Mr Paisley; Mr Burke; Mr Hord; Mr Burke; Mr Enright; Mr Burke; Mr Galland; Mr Burke</i> . . . . .	36
	<i>Mr Davignon; Mr Turcat; Mr Davignon</i> . . . . .	29	Question No 15, Mr C. Jackson: Use of transport infrastructure or UK 'supplementary measures' funds for the A 249:	
	Question No 7, by Mr Prag: Preferential gas prices granted to Dutch tomato growers:		<i>Mr Burke; Mr C. Jackson; Mr Burke</i> . . . . .	38
	<i>Mr Burke (Commission); Mr Prag; Mr Burke; Mr Van Minnen; Mr Hutton; Mr Price; Mr Burke; Mr C. Jackson; Mr Burke; Mr Fanton</i> . . . . .	30	27. Agenda for next sitting . . . . .	39
	Question No 8, by Mr Michel: Project for further nuclear power-stations in Chooz:		Annex . . . . .	40

IN THE CHAIR: MRS VEIL

*President*

*(The sitting was opened at 2 p.m.)*

**President.** — The sitting is open.

#### 1. Resumption of the session

**President.** — I declare resumed the session of the European Parliament adjourned on 21 November 1980.

#### 2. Earthquake in Italy

**President.** — We have all been overwhelmed by the tragedy which has hit Italy since our last part-session, bereaving numerous families and leaving tens of thousands of people homeless at the approach of winter.

This extremely grave disaster is an occasion for the European Community to fully demonstrate the solidarity that unites its members.

Our Assembly will take special care to do so, in conjunction with the other Community institutions.

Tomorrow we shall be voting on the arrangements for the special aid the Community is to give Italy. I would also mention that the Bureau of our Parliament has

**President**

asked one of our Vice-Presidents to visit the disaster zone and report back to it tomorrow.

The day after the earthquake I expressed to the Italian authorities, on behalf of you all, the feelings of profound sympathy and solidarity of the people of the European Community. Today I should like to reiterate to the many families struck by this disaster how much we share their pain.

In memory of all those who died, I ask you to observe one minute's silence.

*(Parliament, standing, observed one minute's silence)*

### 3. *Membership of Parliament — Verification of credentials*

**President.** — The President of the Chamber of Deputies of the Grand Duchy of Luxembourg has informed me that Mrs Colette Flesch has become a member of the Luxembourg Government and can no longer hold a seat in the European Parliament, since the two mandates are incompatible.

Note is taken of this announcement.

Furthermore, the President of the Luxembourg Chamber of Deputies has informed me that Mr René Mart will succeed Mrs Flesch.

Pursuant to Article 3 (1) of the Rules of Procedure the Bureau has established that the appointment complies with the provisions of the Treaties.

It therefore proposes that the appointment be ratified.

Are there any objections?

The appointment is ratified.

I welcome our new colleague.

### 4. *Membership of committees*

**President.** — I have received from the Group of Technical Coordination and Defence of Independent Groups and Members a request to appoint Mr Coppiters member of the Committee on the Rules of Procedure and Petitions in place of Mrs Bonino.

I have received from the Socialist Group a request to appoint Mr Rieger member of the Committee on External Economic Relations and Mrs Gredal member of the Joint Parliamentary Committee of the EEC-Turkey Association in place of Mr Fich.

Are there any objections?

The appointments are ratified.

### 5. *Petitions*

**President.** — I have received various petitions, the titles and authors of which you will find in the minutes.

These petitions have been referred to the Committee on the Rules of Procedure and Petitions.

### 6. *Documents received*

**President.** — Since the session was adjourned I have received from the Council, Commission, parliamentary committees and Members various documents which are listed in the minutes.

### 7. *Texts of treaties forwarded by the Council*

**President.** — I have received from the Council certified true copies of various agreements and acts. These documents, which are listed in the minutes, have been deposited in the archives of the European Parliament.

### 8. *Transfer of appropriations*

**President.** — You will find set out in the minutes various decisions by the Committee on Budgets concerning the transfer of appropriations.

### 9. *Authorization of reports — Authorization to deliver an opinion*

**President.** — Pursuant to Rule 38 of the Rules of Procedure, I have authorized various committees to draw up reports. Details of these and other authorizations are set out in the minutes.

### 10. *Statement on motions for resolutions*

**President.** — Also set out in the minutes are details of decisions relating to various motions for resolutions.

11. *Extension of the mandate of the ad hoc Committee on Women's Rights*

**President.** — Since the mandate of the *ad hoc* Committee on Women's Rights is due to expire on 31 December 1980, and to enable it to complete its work, I propose that the mandate should be extended until the consideration and vote in plenary sitting of its report on the position of women.

Are there any comments?

That is agreed.

12. *Election of a Quaestor*

**President.** — Following the departure of Mrs Flesch it is necessary to hold a new election.

I have received a request from Mr Pannella, on behalf of the Group for the Technical Coordination and Defence of Independent Groups and Members, for this election to be held during the January 1981 part-session whereas the Group chairmen decided this morning by a majority that this question would be placed on the agenda for Thursday of this part-session.

I call Mr Coppieters to speak on behalf of the Group for the Technical Coordination and Defence of Independent Groups and Members.

**Mr Coppieters** — (NL) Madam President, I wish to explain the request made by our group: the explanation is quite obvious, namely that it is preferable to await the arrival of our Greek colleagues before appointing a new member to the College of Quaestors. In the circumstances I consider this perfectly normal and that is why our group has made its request.

**President.** — I put to the vote the request from the Group for Technical Coordination.

The request is rejected.

The election will therefore take place during the present part-session.

I propose that the deadline for nominating candidates for this post be fixed at 6 p.m. tomorrow and that the election be arranged for Thursday, after the vote on the budget.

Are there any objections?

That is agreed.

13. *Order of business*

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

At its meeting of 20 November 1980 the enlarged Bureau drew up the draft agenda, which has been distributed to you (PE 69.850/rev).

I call Mr Arndt.

**Mr Arndt.** — (D) Madam President, Item No 250 on the Agenda is the continuation of the vote on the motion for a resolution in the report by Mr Pearce. Several amendments have been tabled. This matter was held over from the November part-session. There has been no debate on the amendments and on the report itself so that a debate must be held today if the amendments are to be admissible. That is because we can only vote on amendments which have previously been discussed. This means that we must now either simply vote on the motion for a resolution or, if it is placed on the agenda with the four amendments, also hold a debate; otherwise the amendments will not be admissible.

**President.** — We considered this matter at length this morning with the Group chairmen. We referred to the minutes of the last sitting where it is noted that, by one vote, Parliament decided that the discussion would take place without debate. We may therefore consider that Article 29 has been complied with. Furthermore, the Rules of Procedure are quite explicit where there has been a request for a quorum, the procedure will be resumed solely for the voting and the debate cannot be re-opened. We should therefore continue the voting on the motion for a resolution, together with the three amendments, from the beginning of this sitting today.

I call Sir Frederick Catherwood.

**Sir Frederick Catherwood.** — I would like to support you most strongly, Madam President. It does seem to me that we have got ourselves into an extremely awkward situation here by putting this debate at the last session so late that we ran out of a quorum, which is exactly what I anticipated when I asked you at this point in the last session to put it in earlier. It seems to me quite intolerable on this enormously important issue that we should be faced with the position that we either vote the whole thing or nothing at all. This is something between the Community and two-thirds of the world's population. It is enormously important that we put our opinions in and the only way of doing that is to vote these amendments so I most strongly support what you have just suggested.

**President.** — I call Mr Pannella.

**Mr Pannella.** — (*F*) You referred to a decision taken by the Group chairmen under your chairmanship. I simply wish to put on record that I did not share this view. As you know, I definitely do not endorse this interpretation of the Rules of Procedure.

**President.** — I call Mr Pearce.

**Mr Pearce.** — Madam President, I also strongly support the line you propose to take on this. It seems to be the best way out of the difficulties in which we find ourselves at the moment. It may be, Madam President, that the translation got it a little bit wrong, but you did say that there are three amendments to go. My recollection is that we have disposed of the first four paragraphs of this report, and as two of the amendments were on paragraph 4, this means that we have dealt with two of the four amendments tabled and have two amendments left on the remainder of the report.

**President.** — On the one hand, at the request of Mr Scott-Hopkins, it was decided to vote without debate without, however, dropping the amendments, of which two, indeed, remain. On the other hand, where there has been a request for a quorum, a vote must be taken; the Rules of Procedure are absolutely clear on this.

I call Mr Arndt.

**Mr Arndt.** — Madam President, I would not like to make your job more difficult and will be satisfied for the time being. However, I should be grateful if this problem were examined by the enlarged Bureau. Either Article 29, paragraph 1 will not apply anymore in future, or — since on that Friday a contested vote took place and some of the parliamentarians were against the adoption of this decision without a debate — subparagraph 3 of Article 29, paragraph 1, could be suspended, with the result that amendments shall all the same be voted on, without debate. In other words, for today I say 'Agreed', so we don't delay the problem. But in future, it will not be possible for anyone in this House who wishes to see the Rules of Procedure observed, to be overruled. The mistake was obviously made at the last session.

*(Applause from certain quarters)*

**President.** — This is one of the many contradictions in the Rules of Procedure: Rule 29 provides that amendments must be moved. The wording, in French at least, could certainly be clearer.

On the other hand, the Rules allow for a vote without debate without indicating whether, in that case, the amendments are dropped. This is yet another point that will have to be clarified by the Committee on the Rules of Procedure and Petitions.

I call Mrs Kellett-Bowman.

**Mrs Kellett-Bowman.** — Madam President, on the Friday morning of the last part-session I did, in fact, raise this precise point and was assured by the Chair that it was possible to vote on these particular amendments. Under the Rules it is perfectly clear. They merely say that Parliament shall not deliberate on any amendment — they do not say you may not vote on it.

**President.** — I can only repeat that, once the vote is open, the debate cannot be re-opened but that, since they have been amended in good time and accepted, the amendments must be put to the vote at the same time as the rest of the motion for a resolution.

I call Mr Dankert.

**Mr Dankert.** — (*NL*) I have a problem as regards Item 260. The agenda indicates that it is to be taken jointly with Item No 259, the Gatto report; there is no connexion whatever between the two reports, except perhaps for the word Greece, but that does not seem to me sufficient justification for a joint debate.

I would also ask you to place the report somewhat later on the agenda as the discussion will otherwise coincide with the meeting of the Committee on Budgets and I shall be unable to attend.

Perhaps the report could be taken immediately after the votes or at the end of this day's sitting, otherwise it will be extremely difficult for me to be present. I would imagine that the whole report could be dealt with in ten minutes.

**President.** — We shall deal with these two reports separately and take yours at the end of the sitting, before Question Time.

Are there any objections?

That is agreed.

I call Sir Henry Plumb.

**Sir Henry Plumb, chairman of the Committee on Agriculture.** — I have a problem, Madam President. I am aware that you have received a special request from the Council for urgent debate, on the basis of Rule 14 of the Rules of Procedure, on three documents — one on isoglucose, one on the export refunds for cereals used in the manufacture of whisky and one on sugar. Unfortunately, Madam President, owing to the death of a good friend of mine I have to return to England tomorrow, and I understand that you are going to discuss the question of urgency in respect of these reports tomorrow morning. I would like to ask you whether you would allow me, as chairman of the Committee on Agriculture, to state the position taken by the committee on these matters at its last meeting.

**President.** — It is when the decision is taken on urgency that you must make known your opinion, Sir Henry. If you cannot do so yourself, this will have to be done by a vice-chairman of your committee.

I call Mr Vernimmen.

**Mr Vernimmen.** — (NL) I would ask Parliament to return early tomorrow to the point made by Sir Henry Plumb since, to my mind, a very important decision was taken in the Committee on Agriculture, i.e. the decision that these matters would not be treated as urgent: the Committee took a clear decision on that point and consequently — if the work of that Committee and of Parliament is to be treated seriously — respect must be shown for the decision taken by the Committee on Agriculture.

**President.** — The requests for urgent debate will be taken when the relevant documents have been distributed. The Committee on Agriculture will then be able to make known its points of view and the Members will be able to take account of it in their vote. The following reports have not been adopted in committee and have therefore been withdrawn from the agenda:

- report by Mr Nielsen, on behalf of the Committee on Agriculture, on the use of hormones in domestic animals
- report by Mr Kirk, on behalf of the Committee on Agriculture, on catch quotas for fish
- report by Mr Kirk, on behalf of the Committee on Agriculture, on vessels fishing in the regulatory area defined in the NAFO Convention
- report by Mr Gautier, on behalf of the Committee on Agriculture, on the common organization of the market in fishery products.

I have received a number of requests for urgent debate pursuant to Rule 14 of the Rules of Procedure, all relating to the earthquake in Italy.\*

By virtue of the powers conferred upon me by Rule 12 of the Rules of Procedure, I propose that all these texts be included in a single joint debate on the agenda for tomorrow's sitting, within the framework of the budgetary debate.

Are there any objections?

That is agreed.

I have been informed that the committees concerned will probably adopt their reports this evening so that the documents may be available tomorrow morning. I therefore propose that the deadline for tabling amendments to the draft supplementary budget be fixed at 6 p.m. this evening and the deadline for tabling

amendments to the report by the parliamentary committees and to the motions for resolutions be fixed at 11 a.m. tomorrow.

As regards the votes, I propose that these texts be voted on at the end of the debate; the other votes will be taken at the normal time, 3 p.m.

I have received requests for urgent debate from the Council concerning proposals for isoglucose (Doc. 1-700/80) and the common organization of the market in fishery products (Doc. 1-635/80).

I shall consult Parliament on these requests tomorrow morning.

If urgent procedure is adopted, these items could be included on the agenda for Friday, and the deadline for tabling amendments could be fixed at 12 noon on Thursday.

Are there any objections?

That is agreed.

I have been informed that a number of motions for resolutions may be tabled on Poland for debate during the present part-session. With the agreement of the chairmen of the political groups, I propose that the deadline for tabling these motions for resolutions be fixed at 6 p.m. on Tuesday, 16 December.

The vote on urgency would be taken on Wednesday morning and the text would be debated jointly with the statements by the Council and Commission, also scheduled for Wednesday, while the vote on the motions for resolutions would be taken immediately after the debate.

Are there any objections?

That is agreed.

I call Mr Sutra.

**Mr Sutra.** — (F) Madam President, Ladies and Gentlemen, ten days ago in Brussels the Committee on Agriculture adopted the report by Mr Gatto on the agricultural provisions of the Act of Accession of the Republic of Greece to the European Communities. That report approves the proposals by the Commission which were abandoned last week during the discussions between the Council and the Greek Government. The report therefore no longer has any purpose. In line with the conclusions reached by Mr Gatto who regretted that the Greek Members could not be present to take part in the debate the report should surely not be discussed during this part-session. I am therefore extremely surprised to find us being asked to approve Commission proposals which are now obsolete since the Council of Ministers has abandoned

\* See minutes.



**Sutra**

them. We are told that an agreement was reached last night between the Council and the Greek Government. But we have no definitive official information on that point. Therefore, since the Commission's proposals have been superseded and since also the Greek Members will be present during the next part-session, I would hope — and I am making this request on behalf of the rapporteur — that the report by Mr Gatto should be held over to our next part-session.

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — (I) Madam President, I would like to comment on a matter of substance since Mr Sutra stated that the Commission's proposals had been overtaken by events.

That is not strictly speaking correct because our proposals are still pending in the Council of Ministers of Agriculture and if the Council has discussed them it did so precisely because the Commission maintained its proposals. I would add that the Council of Ministers of Agriculture will be meeting next Thursday to approve these proposals which are vital if the common agricultural policy is to enter into force on 1 January 1981.

**President.** — I call Mr Klepsch to speak on behalf of the European People's Party (CD Group).

**Mr Klepsch.** — (D) Madam President, we have now heard that the reason for withdrawing this item from the agenda does not in fact exist; the reason given Mr Sutra was that the Commission's proposals had now been overtaken by events. That is not the case. That being so I should be very sorry if Parliament did not take its decision as planned. I should also like to know whether Mr Sutra has the authority to withdraw the report by Mr Gatto. To do so would prevent Parliament from delivering its opinion on a proposal of decisive importance.

**President.** — I call Sir Henry Plumb.

**Sir Henry Plumb, chairman of the Committee on Agriculture.** — Madam President, the opinion of the committee was that this report should be placed before the House on this occasion. Mr Sutra has, nevertheless, requested that it be withdrawn. I should have liked to discuss this with Mr Sutra before he withdrew it, and if you would give me permission to do so I will then report to you.

**President.** — I call Mr Sutra.

**Mr Sutra.** — (F) Madam President, since the Committee chairman has been kind enough to propose that he should discuss the matter with me before taking a decision, I am clearly bound to fall in with his wishes.

**President.** — We shall therefore leave this item for the moment.<sup>1</sup>

Having consulted the chairmen of the political groups, I propose that the following reports be included at the end of the agenda for Friday:

- Report by Mr Louwes on tariff quotas for beef and veal and buffalo meat (without debate)
- Report by Mr Beumer on taxes on the consumption of manufactured tobacco (without debate)
- Report by Mr Giummarra on olive oil
- Report by Mr Cottrell on relations between Greece and the Community in the field of transport.

Are there any objections?

That is agreed.

The order of business is adopted.<sup>2</sup>

#### 14. *Speaking Time*

**President.** — I propose that speaking time be allocated as indicated in the draft agenda, subject to adjustments necessitated by any alterations to the agenda.

Are there any objections?

I call Mr Pannella.

**Mr Pannella.** — (F) Madam President, for the usual reasons, we cannot agree to this distribution of speaking time. I have already informed the enlarged Bureau and the Committee of Chairmen to that fact.

Furthermore, Madam President, I would hope at the very least that the debate about the Italian earthquake would not be covered by Rule 28 which is being applied here to the entire day's sitting.

I therefore oppose the proposed distribution, not only for the usual reasons but also because I consider that in the particular instance of the debate about the Italian earthquake, the application of Rule 28 in the normal manner — i.e. for the whole day — would be detrimental to the interests of this Parliament.

<sup>1</sup> See below under speaking Time.

<sup>2</sup> See minutes.

**President.** — Are there any other comments?

That is agreed.

I call Sir Henry Plumb.

**Sir Henry Plumb.** — Madam President, I have now discussed the Gatto report with Mr Sutra, and I wish to inform you that the report will stand before the House.

**President.** — This item is therefore maintained on today's agenda.

#### 15. *Deadline for tabling amendments*

**President.** — I propose that the deadline for tabling amendments be fixed as set out in the draft agenda, and at 12 noon on Thursday for items which have been added to the agenda.

Are there any objections?

That is agreed.

#### 16. *Procedure without report*

**President.** — Pursuant to Rule 27A (5), the titles of proposals from the Commission to the Council, which have been placed on the agenda for the present sitting for consideration without report, are set out in the minutes.

Unless any Member asks leave to speak on these proposals or amendments are tabled to them before the opening of the sitting on Friday, I shall declare these proposals to be approved.

#### 17. *Electronic voting system*

**President.** — A number of voting cards have not yet been collected from the secretariat. I would remind you that you must always have your voting cards with you.

#### 18. *Action taken by the Commission on the opinions of Parliament*

**President.** — The next item is the communication

from the Commission on action taken on the opinions and resolutions of the European Parliament.\*

I call Mr Coppieters.

**Mr Coppieters.** — (NL) Madam President, in its resolution of 18 April 1980 concerning Community measures to save energy, the European Parliament asked the Commission to present a detailed report by the end of 1980 on the experience acquired by the Member States in the area of energy saving and, more particularly, on local experience which might be taken as an example. Can the Commissioner tell me when we may expect that report?

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — (I) Madam President, I do not know whether this point is covered by the document which we have forwarded. If it is not so covered, I shall clearly be unable to give an immediate answer to Mr Coppieters but the answer will be forwarded to him later.

**President.** — I call Mr Moreland.

**Mr Moreland.** — Madam President, if I may refer to paragraph 3 of this report and the report in my own name, although it is fair to say that my own report to Parliament on behalf of the committee did not warrant any formal amendment to the Commission proposal, I think I would have to say that the amendments that were passed by Parliament would, in fact, have entailed an amendment to the Commission's proposal. In view of the fact that the discussion on this particular item in the Transport Council on 4 December was deadlocked because of the view of one or two members, and since it is going to be discussed again — I understand in March — I think that point should be made clear.

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — (I) Madam President, in the light of the documents I think it right to say that this Parliament did not ask for Mr Moreland's amendment to be incorporated by the Commission as an amendment to its own text. I think that this emerges perfectly clearly from the working document of Parliament which has been distributed.

\* See Annex.

19. *Community's generalized tariff preferences*  
(*continuation of vote*)

**President.** — The next item is the continuation of the vote on the *Pearce report (Doc. 1-545/80): Generalized Tariff Preferences*.

I would remind you that at its sitting of Friday, 21 November, Parliament, after adopting the preamble and paragraphs 1 to 4 of the motion for a resolution, noted that a quorum was not present — hence the continuation of the vote on today's agenda.

(*Parliament adopted paragraph 5*)

On paragraph 6, I have Amendment No 1, by Sir Frederick Catherwood and others, to replace this paragraph with a new text:

- '6. Approves the Commission's proposal that a five-year scheme of generalized tariff preferences should be instituted, but considers that the undertaking that no adjustments would be made in sensitive products from super-competitive countries until 1985 severely and unnecessarily limits the Commission's power to discourage levels of imports which could put severe pressure on the Community's liberal trade policy.'

What is the rapporteur's opinion?

**Mr Pearce, rapporteur.** — Madam President, I believe the committee would be against this amendment.

(*Parliament adopted the amendment and subsequently paragraphs 7-17*)

**President.** — On paragraph 18, I have Amendment No 2 by Mr Tuckman, to replace this paragraph with a new text:

- '18. Recognizes that it is desirable to extend the coverage of the generalized system of preferences to include additional processed and primary agricultural products, but believes that it is essential to give industries both in the Community and in beneficiary countries the necessary time to adjust to the new circumstances without suffering commercial damage, therefore, rejects the inclusion of Basmati rice in the proposals for 1981-85 because the quantities proposed present almost the total consumption of this product in the Community and because the proposal would therefore severely damage the Community processing industry concerned (in which new investments in plant and equipment have taken place this year), while bringing only marginal benefits to the supplier countries.'

What is the rapporteur's opinion?

**Mr Pearce, rapporteur.** — Madam President, again I believe that the opinion of the committee would be against this amendment.

(*Parliament rejected the amendment and adopted paragraphs 19-22*)

**President.** — I call Mrs Kellett-Bowman for an explanation of vote.

**Mrs Kellett-Bowman.** — Madam President, I really only wished to speak on the explanation of vote if I could not get in on the debate. There has now been no debate. I was particularly anxious at that time about some of the chemicals not included on the list of sensitive products. I am happy to say that these have now been included and therefore my anxiety has been allayed since last Friday.

(*Parliament adopted the motion for a resolution as a whole*)

20. *Agricultural provisions of the Act of Accession of Greece to the Communities*

**President.** — The next item is the report drawn up by Mr Gatto, on behalf of the Committee on Agriculture on several proposals from the Commission of the European Communities to the Council (Doc. 1-628/80) for regulations implementing the agricultural provisions of the Act of Accession of the Hellenic Republic to the European Communities (Doc. 1-688/80).

I call Mr Sutra.

**Mr Sutra, deputy rapporteur.** — (*F*) Madam President, on behalf of my colleague, Mr Gatto, I can only reiterate the reservations he had voiced in committee. He was given notice that he was to present a report in Brussels last week, in fact on the Friday morning, having received the relevant documents on the Thursday afternoon. He spent all the time available to him drafting a report and what was brought home most clearly was the extent to which Parliament had been kept in the dark about the progress of these negotiations. He therefore takes exception to being rushed in this way by the Commission and deplores the fact that we are obliged to deliberate on the proposed regulations without the benefit of the valuable suggestions that the presence of Greek Members could have afforded us.

In our opinion, for us to be discussing this matter in December when we are to be joined here by the Greek Members in January is unbecoming for us and discourteous to them. Quite apart from what took

## Sutra

place last week — I refer to the fact that, although the Commission's proposals were rejected out of hand by the Greek Government, the Commission are now telling us that they still stand; I should like to believe them but we do not know exactly where we stand and Parliament is left once again in the dark — may I say that not only have we been consulted at the last minute on a procedure of debatable urgency, but we should also have liked to have had more information from the Commission on the negotiations that took place last week and on how they intend to conduct them with the Council after the 18th, as we understand that they are to take place in three days' time.

With regard to the Commission's proposal on sugar, as things stand at the moment there is a certain inconsistency between the situation on the world sugar market and the Commission's proposals. Given that Greece has not yet achieved self-sufficiency and that there is an unsatisfied demand for sugar on the world market, it is by no means clear what the Commission is hoping to achieve by cutting her quota.

As for all the other proposals on prices, clearly it would have been desirable to have had a much more wide-ranging discussion which has unfortunately been denied the Committee on Agriculture by reason of the lateness with which the relevant documents were submitted.

My colleague, Mr Gatto, despite all his reservations — and I wish personally to add to them his concern at the off-handed treatment of Parliament by both the Council and the Commission — has given his endorsement to the Commission's proposals. I have to say — and I am speaking now purely for myself — that I reserve the right to take whatever action is needed by tabling amendments before the report is put to the vote, bearing in mind what I said earlier in the debate on the agenda.

To conclude then, Madam President, the rapporteur approves these proposals, subject to all the reservations which I have voiced on his behalf.

**President.** — I call Mr Ligios to speak on behalf of the European People's Party (CD Group).

**Mr Ligios.** — (*I*) Madam President, I am speaking merely to put on record the favourable opinion of my Group on the report by Mr Gatto.

I too cannot really understand why Mr Sutra asked for this debate to be held over on the basis of press reports which do not in reality concern us. I would put on record our favourable opinion on this report for the same reasons adduced by the rapporteur, Mr Gatto: in a sense this is an act of trust.

On 1 January next the agricultural prices currently applicable in the Community are to be extended to Greece and we do not think that their entry into force can be held up. We greatly regret the fact that there has been an urgent consultation on so important a matter and that we have not been given the possibility of looking into the matter in depth and above all of assessing the political implications for Greece. We regret that our Greek colleagues are not able to take part in this debate; they will only be joining us on 1 January but their participation would clearly have been extremely valuable.

With those reservations, I confirm the favourable vote of the Group of the European People's Party.

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

**Mr Pranchère.** — (*F*) Madam President, whilst giving his approval to the Commission's proposals the rapporteur for the Committee on Agriculture, Mr Gatto, has deplored the fact that there was not the time to study them in depth.

Is the need for urgent consultation of the European Parliament really good enough reason for us in the Committee on Agriculture to have first sight of these proposals only as we come in for the start of our meeting and for us to be obliged to vote on them almost immediately thereafter? This is nothing short of scandalous.

This cavalier attitude to the rights and privileges of Parliament is totally in character and wholly consistent with the general air of secrecy that has surrounded the preparations for Greek accession to the Common Market and its consequences, both as regards the negotiation of the terms and the signing of the Treaty.

Without attempting any detailed assessment of the Commission's proposals, which manifestly contain a number of anomalies and inconsistencies (how does one account for the fact that some Greek farm prices have in the space of a few months caught up with Community prices?), we cannot help but observe that, even before Greece's official entry into the Common Market and in the absence of Greek representatives, the governments of the Nine are putting through measures aimed at reshaping and restructuring the agriculture and economy of Greece. 'Greece belongs to us' says a travel agency brochure. That appears to be precisely the motto of the other governments.

Furthermore, neither in Brussels nor in Athens did they wait until 1 January 1981 before implementing the initial restructuring measures. The Greek workers — and the owners of small and medium-sized farms in particular — have suffered the consequences. They, too, had been told: Greek agriculture will have a

## Pranchère

better chance in the Common Market. But twenty years of experience had taught the Greek Communist Party enough for them, and others, to alert the Greek workers and put them on their guard against this confidence trick.

We of the French Communist Party understand and approve this attitude. The movement in Greece against entry into the EEC is an answer to all those who accuse us of standing against enlargement southwards as a way of protecting 'national egoism'.

In fighting and continuing to fight against this enlargement we are seeking to protect the interest of the workers in France and in Greece.

As far as the Greek agricultural worker is concerned, his death-knell has already been sounded and the process of agricultural concentration has already been set in motion and will continue to gather pace. A serious threat hangs over certain crops such as sugar, with the risk of closure facing many refineries.

Through their struggle, Greek farm workers succeeded in forcing their government to set aside subsidies for smallholders, for the least-favoured areas or to encourage farming cooperatives. At the request of Brussels, the Greek Government has undertaken to phase out these subsidies by 1985. And with them will go the Greek smallholders' last hope of eking out a meagre existence, leaving them exposed to the fresh winds of Community liberalism.

In the name of specialization based on the particular characteristics of individual regions, Brussels is intending to encourage certain crops such as the fruit and vegetables of Greece. In no way can this be said to serve the interests of the producers, but it does serve the interests of the powerful agri-foodstuffs companies and it is certainly to the detriment of the agricultural production of the southern regions of the EEC.

Even before official Greek entry, French tobacco growers have already been subjected to the first string of restructuring measures: the reform of SEITA, restrictions on planting, the elimination of many planters. In exchange for the sale of IIT-Thomson television sets in Greece, and in the interest of the tobacco multinationals, the French Government has agreed to the export of Greek tobacco to the EEC, which has had the effect of depressing prices and limiting production in France. That, as far as the tobacco growers are concerned, is not the end of the story as there are at this moment 125 000 tonnes of tobacco stocks in Greece, to which have to be added the 30 000 tonnes harvested in 1980.

The fate of the wine-growers and fruit and vegetable producers is not better. They quite rightly fear competition from Greek products, the production costs of which are only 60 % of those in the EEC. As for the livestock farmers, to whom had been held out the

alluring prospect of new outlets, they must already be disappointed. Greece's present suppliers of lamb — New Zealand — and beef and veal — Argentina and Yugoslavia — are not at all inclined to abandon the Greek market. And so, after the first enlargement, we are now faced with a still more serious threat to our livestock farmers, and especially in France.

Those who defend and argue for enlargement on the ground that it will help restore the balance between northern and southern Europe can no longer invoke the facts to support their case because, in reality, enlargement has not so much favoured the regions as disfavoured them, and has moreover aggravated the imbalances.

In industry, who stands to benefit from Greek entry into the Community? As in agriculture, it is the multinationals seeking new sources of profit who will be attracted by wages one-third of what they are in the EEC, among many other advantages. This is revealed with unusual candour in a Greek Government press release contained in a financial journal and what it does is to set out quite clearly the real reasons for enlargement and also what it has to offer:

What Greece has to offer to the investor or the Western businessman is almost without parallel: a hard-working, disciplined and cheap labour force together with the best and most effective anti-strike legislation and arbitration procedures in Europe. Few countries can match Greece as regards the guarantees being written into the Constitution itself; in it, the right to strike is severely restricted: strikes in the public services are virtually illegal; the government has always acted ruthlessly to suppress illegal strikes. To encourage large investments, those in excess of 5 million dollars enjoy income-tax exemptions and tax-free undistributed profits

To those Western businessmen who might be afraid that democracy in this country means instability, the reply is given that they have their guarantee in Greece's membership of the European Community and NATO, through which it is also allied with the United States.

What clearer indication could we have that this country's entry into the EEC is being used to protect the interests of the multinationals and of big foreign investors? And these investors have not been slow to make their move: French multinationals, with Pêchiney-Ugine-Kuhlmann leading the way, have invested 250 million dollars in Greece. For Pêchiney, as for the other groups, enlargement provides a golden opportunity to redeploy their business by ensuring the free movement of goods, capital and workers. There is no doubt that for the workers of Greece, and also Spain and Portugal, enlargement will mean higher unemployment. This fact is incidentally acknowledged by the Commission in Brussels in their opinion on the accession of Spain, better known in France as 'Document 630': 'Enlargement will entail some major restructuring, which will inevitably have repercussions

**Pranchère**

for the employment situation'. Thus in France ship-building workers see their jobs threatened by Greek entry and in fighting against enlargement they are fighting for their jobs.

Like the employees of Pêchiney-Ugine-Kuhlmann in Greece and in France, they are fighting against the multinationals and for a cooperation that will bring benefit to the workers and protect the mutual interests of the two peoples.

Enlargement of the EEC, on the other hand, is a means of imposing an excessive authoritarianism in order to force acceptance of solutions that are contrary to the interests of the peoples. The key to the operation is the challenge to the principle of unanimity within the Council of Ministers. Document 630 considers in fact that enlargement would pose the question of the Community's decision-making capacity. This is the thought that lies behind our determined opposition to enlargement and we therefore ask this House to defer further discussion of this matter.

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

**Mr Delatte.** — (*F*) Madam President, the matter discussed in the Gatto report is not a speculative proposal in the event that Greece joins the Common Market. The decision has already been taken and what the Gatto report is asking us to do is to deliver an opinion on the farm prices to be fixed as from 1 January 1981. We would do well to remember that date of 1 January because it is very close now. A few moments ago Mr Sutra asked that the Gatto report be held over out of courtesy to the Greeks. Contrary to what Mr Sutra thinks, I believe it would be discourteous to the Greeks not to set the terms for the fixing of farm prices as at 1 January 1981 since it has already been decided that they will be joining the Common Market on that date. If we were today to reject the Gatto report, the Council would be unable to act and there would be no common prices for the Greeks as from 1 January 1981. We would thus find ourselves faced with a legal vacuum.

I might add that the Greeks are in fact involved in the negotiations inasmuch as they are to attend the discussions at the meetings of the Council of Ministers due to be resumed either today or tomorrow. They will therefore have an opportunity to make their views known. It is for this reason that my group would like to see the Gatto report adopted and on behalf of my group I wish to say that it has our support and will have our votes.

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

**Mrs Fourcade.** — (*F*) Madam President, Greece has decided in favour of Europe and of the common agricultural policy and we are glad that she has done so. At the negotiations for Greek accession to the Common Market it was agriculture that raised the most intractable problems in the Council, and in fact the relevant provisions take up a major part of the act setting out the conditions of accession.

We regret very much therefore that our Committee on Agriculture did not have the necessary time to be able to deliver an opinion on the initial implementing regulations, the purpose of which is gradually to align Greek agricultural prices on Community prices. Needless to say these proposals have to have the approval of Parliament, in just the same way as a long time back now we approved the entry of Greece in the Common Market. Of course there are bound to be problems along the way but we shall always be able to resolve them because we have the chance here to get to the roots of the common agricultural policy, which is the most carefully worked out of all the Community policies.

Greece has a sizeable agricultural sector. In six of the nine regions in Greece, over 50 % of the working population is employed in agriculture. The other side of the coin is that productivity is low. It is more than 10 % below that of Italy, for example. That is why it would be desirable for the Guidance Section of the EAGGF to make funds available as soon as possible to finance agricultural infrastructure projects and particularly to help modernize the smaller Greek farming units. A recent study has shown that Greek agricultural machinery is more often than not inadequate or unsuited to the smaller farming units or for working in steeply sloping terrain. This is an ideal opportunity for the Community to show its friendship by offering not only plant and equipment but also know-how.

As regards the prices which are dealt with in the proposals before us, the matter is an important one in that it raises the problem of the Community's Mediterranean crops. Without a doubt Greece's future partners can expect to find there important outlets for their livestock production and especially beef and veal. On the other hand they can expect strong competition from Greece on the market for green vegetables, wine products, agricultural produce and citrus fruits. We must seize this opportunity to bring the arrangements for Mediterranean produce more closely into line with the so-called North European products which enjoy a much happier situation. We are not afraid to allow Greek farmers high prices because, with one exception, their output is not all that great. The prices which we would like to see extended to our own Mediterranean production will be adopted gradually, but we recommend that the system of accession compensatory amounts be scrapped as soon as possible because we all know what distortions it can lead to.

## Fourcade

The one exception is wine, for we know from the crises we have undergone in the fairly recent past just how shaky the market organization still is. The restrictions on production accepted by French and Italian wine-growers should be applied equally strictly to Greek growers.

Finally, I should like specifically to draw attention to the emergency procedure, peculiar to the agricultural sector, set up in connection with the safeguard clause which allows the import of products into the Community to be suspended in cases where such imports might endanger the stability of the Community markets. There is such a danger with early vegetables and the Commission should be especially vigilant as regards this particular problem.

Madam President, there you have our observations, inspired, not by the Gatto report, which — as I say — we did not really have an opportunity to examine in committee, but by the initial impact of Greece on the common agricultural policy.

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — (I) Madam President, Mr Ligios and Mr Delatte pointed out in their speeches that this was not the occasion to raise again the whole subject of the accession of Greece to the Community. I listened to Mr Pranchère who is obviously not interested in my reply since he has left the Chamber, but I would stress one fundamental point, namely the fact that the Act of Accession provides for the common agricultural policy to enter into force in Greece on 1 January 1981.

Madam President, I simply wish to remind you that the Act of Accession has been discussed and approved by the European Parliament; as you all know the Act of Accession was discussed and explicitly approved by Parliament in due form on the basis of the report by Mr Blumenfeld.

The provisions under consideration here today relate solely to the need to set up the machinery needed for the common agricultural policy to be applicable in Greece on 1 January 1981; those mechanisms are covered by the Act of Accession and have therefore been approved by Parliament.

May I say to Mr Sutra that the proposals submitted by the Commission to the Council relate to the products indicated in the report by Mr Gatto; the principal purpose of these proposals is to prevent measures relating to the compensatory amounts from being taken on 1 January and I wish to remind you that these proposals from the Commission had been endorsed by the Council of Ministers. It is true that last week a discussion took place in the Council between the Ministers of the Nine and the Greek

Minister of Agriculture. In the course of that discussion it emerged that the Council of Ministers of the Community agreed with the Commission's proposals and I would like to say to Mr Sutra that the discussion took place because of the need to clarify certain technical points. The Council will be meeting again in a few days' time and I think it safe to say that the proposals now under consideration by you will be approved in full, although perhaps with some minor changes in certain sectors.

Madam President, in thanking the Committee on Agriculture for the rapidity with which it has delivered its opinion and while reminding you that this opinion does not refer to the more general problem of the accession of Greece to the Community — including the agricultural aspects of accession — I should like to stress that it is in the interests of Greece and of Greek farmers for the common agricultural policy to be applied in that country from 1 January 1981. Therefore, while I agree to some extent that the presence of the Greek Members of Parliament would have been useful, the fact that these measures must enter into force on 1 January creates an insurmountable difficulty from that angle and I therefore request the European Parliament to deliver a favourable opinion on our proposals.

**President.** — The debate is closed.

The motion for a resolution will be put to the vote at the next voting time.

## 21. *Special committee of inquiry concerning the EAGGF*

**President.** — The next item is the report by Mr Battersby, drawn up on behalf of the Committee on Budgetary Control, on the report of the special committee of inquiry concerning the Guarantee Section of the EAGGF, wine sector (Doc. 1-166/80).

I call Mr Battersby.

**Mr Battersby, rapporteur.** — I am very pleased to be able to present this report to the House. It is concerned with the budgetary control aspects of wine, with the misuse of taxpayers' money in this sphere, with irregularities, and with the protection of the good name of the wine producer. The report before you, which is Document 1-166/80, was inspired by the findings of a text prepared by the group of Community and national experts known as the Special Mission of Inquiry which examined the wine sector. The text was completed a long time ago and would have been brought before this House earlier were it not for the fact that the draftsman of the opinion changed from

**Battersby**

Mr Hansen to Mr d'Ormesson and the opinion was not adopted finally until the end of September. The document is a very valuable one bearing in mind the very special professional knowledge of Mr d'Ormesson.

Considering the detailed report of the Special Mission of Inquiry one is struck by the range and ingenuity of frauds that affect the wine sector and by the ingeniousness and resourcefulness of the defrauders. A great deal of work needs to be done at Community level by the Commission and by the Court of Auditors to help eliminate at least some of these irregularities. The Council has been remiss in not acting swiftly in the past when it came to amending Community law in a way that would close some of these loopholes.

We all know how prone the Community is to bad publicity due to allegations of frauds and irregularities being laid at its door. These rumours of misappropriations of funds damage the good name of the Community. They also do harm to the good name of the producers. As elected representatives of the taxpayers we are duty-bound to follow up these scandals and to eliminate them. Fraud debases the currency and it affects the quality, and we will have a situation where good wine is forced out by bad, which is something I personally do not subscribe to.

My report, I hope, is sufficiently clear and fairly comprehensible. Therefore, I will not go into a long and detailed explanation of the report but confine myself to one or two facts. The cost to the budgets of expenditure in relation to wine was estimated at about 350 million units of account for 1980 and 365 million units of account for 1981, or about 3 % of the total EAGGF expenditure. This is a considerable amount of money. Although it does not appear as large as the outlay on dairy products and cereals, it is an area which has considerable potential for further growth.

I also pointed out that there is a very real danger of the formation of a very deep wine lake after the Spanish and Portuguese enlargement. I refer Members to paragraph 8 of the explanatory statement for the basic figures. The Spanish and Portuguese enlargement will result in an extra 29 million hectolitres coming into the pond. The Greek accession only brings in about 4 % of the total wine, but the Spanish and Portuguese situation can be very serious. Therefore, I believe that we must get to grips with this sector before the Spanish and Portuguese enlargements.

I consider that the frauds identified by the Special Mission of Inquiry must be prosecuted vigorously if the overall interests of Community wine producers are to be preserved. Any Community funds intended for wine producers should benefit the producers and not the manufacturers of false labels, the forgers of transit papers, the mixers or waterers of wine or the resourceful characters who defy science and produce wine without using any grapes whatsoever.

One particular fraud, for example, which did not amuse our German colleagues, entailed operations in three different States with the addition of water and the fixing of special printed labels which bore descriptions of German quality wines with fictitious control numbers. I believe the water was Community water. Other frauds involved transactions in as many as five different States.

We read in the Commission report on the agricultural situation in the Community in 1979 that the 1978/79 production of wine in the Community was 132 million hectolitres. If you allow 50 Belgian francs a litre bottle, this gives you something in the region of 16 billion units of account. Then of course, there is all the other wine in store, maturing in depots and cellars.

I referred to 20 varieties of fraud identified by the Special Mission of Inquiry. On 14 November 1980 the Commission published its ninth financial report on EAGGF for the 1979 financial year and I looked at Annex 16 of this document for the irregularities reported in the wine sector. Strange to behold, there were no irregularities recorded. I find this surprising in view of the statements by the Special Mission of Inquiry and the probability that not all wine producers and storers, bottlers and merchants are whiter than white and were anyway in 1979. Therefore the report before you urges the taking of appropriate action by the Commission to make further cases of a similar nature virtually impossible. These improved controls are vital and I believe that everybody in Parliament will support them. I also feel that the Commission section on wine in the annual report on the agricultural situation could be re-written so as to give more information on the stamping out of fraud.

There is one other aspect of my report I would like to mention. That is the problem of gasohol or the future of gasohol. I feel that until we are much further ahead on gasohol development, there is no point in resorting to distillation as a means of taking care of surplus wine production. By distilling wine you merely replace one structural surplus with another, and it is very difficult to get rid of this alcohol.

I look forward therefore to an interesting debate because some colleagues now present come from wine-producing regions, are producers themselves and could have valuable points to make. I recommend the report to the House for its endorsement.

**President.** — I call Mr Sutra.

**Mr Sutra.** — (*F*) Madam President, first of all I should like to point out to Mr Battersby that he undertook to present a report on the report of the Special Committee of Inquiry of 14 February 1978, which was referred to his committee by letter of 24 March 1980. In other words, two years have elapsed between the



## Sutra

Special Committee's report and his report on it. It so happens that in the meantime, in December 1979, the Council of Ministers adopted a new policy with regard to the wine sector which throws a completely different light on what happened in the past.

The new Community wine-growing policy, with its emphasis on quality, embodies in fact many of the suggestions that Mr Battersby has put forward in his conclusions. I am not questioning the value of his report, particularly the part of it dealing with frauds — and I shall come back to that in a moment — but I think it is a pity that he was obliged to base his work on documents that are two years out of date and that we have been overtaken by the new policy adopted in the Community, a policy based on grubbing-up, which has certainly not been vindicated so far. The report makes no mention of the discrepancies between the levels of excise duty levied on wine in the various countries of the Community and in particular the high excise duties levied in northern Europe; this is certainly not an aspect to be ignored. Also since then we have seen the introduction of performance guarantees on long-term private storage contracts for wine. When questioned by me, the Commission admitted before the Committee on Agriculture that this system was working better than before and without any increase in cost.

It is also unfortunate that, by stopping at 1978, the report bases its findings on a period which would appear to indicate a steady upward trend in wine production, and therefore also in Community expenditure in the wine sector, whereas, as we all know, production is subject to considerable fluctuation and if a further year had been taken into account the report would have ended on a very sharp drop in production. This year there has again been a rise. And what of next year, will there be another drop? With wine production fluctuating as it does, anyone who attempts to draw conclusions on the basis of too short a period is bound to get the figures wrong. I believe that to take a period of three years during which wine production has increased and to infer from this that it is going to continue to increase exponentially is a mistake. The following year in point of fact saw a very sharp fall both in production and in expenditure.

In any case, if we look at the last page of the report before us and at the annexes we see that even for this highly unfavourable period wine accounted for only 2.3 % of the EAGGF budget but represented 5.3 % of value of the total production. The expenditure on wine is therefore disproportionately low. And I will go on to say that if the expenditure on wine is very small and accounts for only 2.5 % of the EAGGF budget, taken over these bad years — or 1.5 % if taken over a longer period — Mediterranean agriculture as a whole, like wine, is the Cinderella of the EAGGF budget. Over the last five years wine and fruit and vegetables have together accounted for only about

5 % of the EAGGF: 5 % for Mediterranean agriculture and 95 % for North European agriculture. Now that throws a completely new light on Mr Battersby's report. Let me say that whilst this aspect is not brought out in his report, I give it my wholehearted endorsement as regards everything it has to say about frauds. Wherever there is fraud it must be eliminated. Wine-growers throughout the Community are fully aware that they are the victims of the defrauders and they all support the measures taken against fraud. And may I say, incidentally, that I think it is quite deplorable that the Member States are unable to agree on controls to stamp out fraud, with the result that certain practices are authorized in some countries and prohibited in others.

If I may just digress a moment, in April of this year apple producers in my country decided to adopt the scientifically approved tincture of iodine test to check ripeness, but three Member States of the Community refused to recognize this test, as a consequence of which shipments of apples were arbitrarily turned back at the frontiers. Mr Battersby's report might usefully also have included some observations about production surpluses caused by underconsumption due to the excise duties charged in the northern Community countries. The best proof of this was provided by the Commissioner for Agriculture, Mr Gundelach, who recently told the Committee on Agriculture that if these excise duties were reduced, even in his country which as we know is the northernmost of the Community, wine would now be enjoying an unprecedented popularity. Certainly the problem is one of underconsumption rather than over-production. I will conclude by saying that in March 1980 the Commission won its case before the Court of Justice in Luxembourg in which it sought the harmonization of the excise duties on wine and beer in the northern States of the Community. This had absolutely no effect, whereas during that same month, the British Government won before the Court of Justice a case against my government to harmonize the excise duties on whisky and brandy, and the judgement was complied with. And so we had two judgements handed down by the Court: the one protecting the interests of the wine-growers was not applied, and the one strongly attacking them was applied immediately. What we have then are two different standards, and Mediterranean agriculture always loses out. This is something I felt I had to get across, especially as we are soon to welcome Greek Members into our Parliament. It is as well for them too to know what sort of Community they are joining. It is as well for them to know just what share of the budget goes to Mediterranean agriculture. I believe that, in historical retrospect, the share that is devoted particularly to wine and to fruit and vegetables will be seen as a shameful blot on the first ten years of the Community's existence.

**President.** — I call Mr Dalsass.

**Mr Dalsass.** — (D) Madam President, careful consideration of this report by the Special Committee of Inquiry on the EAGGF, Guarantee Section, with particular reference to the wine sector, reveals several points of great interest. I would add that this report was necessary to gain an impression of trends in this sector and take stock of the present situation in order to see what is being done and what problems remain. The following questions now arise: Is support for the wine sector the right solution? Is it proper that expenditure should rise from year to year as the report shows is clearly happening? In absolute terms the burden which the wine sector represents for the EAGGF is not particularly high but the annual increase gives grounds for some concern. My third question is whether it is acceptable for things to continue indefinitely in this way or whether remedial action should be taken?

The answer to the first question must be affirmative. Support must continue to be given to the wine sector. The wine sector is of particular importance, especially in the Mediterranean regions, as Mr Sutra has just pointed out. Many people depend and will continue to depend on this sector for their livelihood. I do not believe that we can reasonably accept a crisis in the wine sector which would force all these people to seek other forms of employment. There are more than 7 million unemployed in the Community today and I do not think that the figure should be allowed to rise further. Nevertheless it seems to me that some action must be taken; that brings me to my next question, namely the elimination of surpluses.

I am not referring to surpluses in the absolute sense but specifically to wine of rather low quality which is produced in large quantities on small areas. We shall have taken a step in the right direction if we manage to cut this particular production somewhat. We should not produce unlimited quantities of all types of wine since our policy must be oriented towards quality; in my view only high quality wines have any future in the Community. Measures should be taken to prevent low grade wine from being produced. On that I differ from Mr Sutra. Funds should be made available to grub up vines and convert certain areas. But precise controls are necessary. It would be wrong to make the funds available and then fail to check whether the vineyards are actually converted to other types of production.

That is one of the measures which must be taken. As to the cases of fraud, I share the view that they are detrimental to our wine sector. They are detrimental to the good reputation of our wines and we should do everything possible to prevent such frauds through controls carried out uniformly in all the Member States.

If certain types of wine cannot be marketed it is still possible to use them for different purposes. To enrich certain types of wine which do not have the required

alcoholic strength, rectified grape concentrates could be used as is done in all the Member States; this would avoid a situation in which the addition of sugar is permitted in some cases and prohibited in others. Efforts must be made to produce these grape must-concentrates more cheaply so as to enable them to be used by the wine growers and wineries.

I would like to add a further point: it is high time for a market organization to be created for alcohol. I am raising this problem now because such an organization would also help to stabilize our wine market in the Community, ensuring better regulation and removing certain quantities of wine from the market for other uses. I have been appointed rapporteur on the organization of the market in alcohol but it will take some time to prepare the report. The market organization has already been discussed once in Parliament and the question of competence was raised on that occasion. Parliament felt that the Community is not competent to set up such an organization but the Commission has now submitted a further proposal for the organization of the market in alcohol. The Commission believes that we are competent. The Legal Affairs Committee of Parliament felt that this was not the case. We shall therefore try to clarify this problem of competence at a hearing. I hope that this will bring us nearer to a satisfactory arrangement in this area.

Better protection could be provided for wine production if a package of measures were taken. Let me stress once again that wine production is important in the Community, particularly in the Mediterranean areas, and we should therefore do everything possible to prevent damage to wine production which we need as a component of our economic structure. May I stress once again that the amounts being spent are small in absolute terms but if they are doubled or even tripled each year we must obviously give the matter close attention and try to take measures to prevent this sector being exposed to the same kind of criticism as several other sectors of agriculture; in other words we should proceed with rather more caution, logic and economy and not spend money on surplus production.

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — (I) Madam President, the Commission wishes to thank Mr Battersby for his report.

Obviously this is a delicate problem. Mr Sutra and Mr Dalsass have drawn your attention to the characteristic features of this type of agricultural production which is a fundamental resource, or indeed the sole resource, of certain regions. We are also confronted with a problem arising from the imbalance between supply and demand in the wine sector. This problem of structural surpluses which might clearly assume more alarming proportions following the enlargement of the

**Natali**

Community, has already been the subject of measures taken by the Council acting on a proposal from the Commission. May I remind you here of the premiums for the temporary or permanent cessation of production. We are planning the adoption of other measures, especially in the context of aid for private storage and distillation.

A further problem to which Mr Sutra referred is that of harmonization of excise duties.

This whole problem has a further aspect which we consider to be fundamental: the need for a policy to promote high quality wines. Some measures have already been taken to improve the quality of wine and cut the production of low cost wines which are a burden on the market and for which there are no real outlets.

The report also refers to the problem of controls. That is a vital point. I believe that we must step up our controls over methods of analysis and also controls of the origin of wines. To prevent irregularities, the Commission hopes shortly to present a series of regulations to the Council which it hopes the Council will be able to adopt at an early date.

In conclusion, Madam President, may I say that the problem of wine — a typical Mediterranean product — must be viewed in a wider context considering the vital importance of this problem for certain regions which are, very often, the least-favoured regions of the Community.

**President.** — The debate is closed.

The motion for a resolution will be put to the vote at the next voting time.

## 22. *Establishment of a European Regional Development Fund*

**President.** — The next item is the report, drawn up on behalf of the Committee on Regional Policy and Regional Planning, on the proposal from the Commission of the European Communities to the Council (Doc. 1-510/80) for a regulation amending Regulation (EEC) No 724/75 establishing a European Regional Development Fund (Doc. 1-610/80).

I call Mr Cronin.

**Mr Cronin, rapporteur.** — Madam President, I think it is necessary from the outset to distinguish between two very distinct aspects in this report: firstly, there is the question of amending the ERDF Regulation to provide for the Greek quota, and secondly, the more

controversial aspect of the complete revision of the regulation establishing a European Regional Development Fund.

When Greece becomes the tenth member of this Community in just over 2 weeks' time, it will have the doubtful privilege of being the country most deserving of the attention of the European Regional Development Fund. Greece has an inflation rate of 26 % for 1980; a current account deficit for 1979 which is 5 % of the gross domestic product — and the level of this domestic product is around 43.3 % of the Community average; private consumption in Greece is static, and the employment situation is also deteriorating. In fact, Greece will find herself at the bottom of the EEC economic league.

The Commission is proposing that Greece's share of the Fund should be 15 %, or some 228 m EUA. This amount may well appear somewhat on the short side, especially in the light of the problems being faced by the Greek community. However, it is felt by the regional policy experts in the Commission that the effects of such a sum would not be negligible on regional problems, particularly when compared with the expenditure on public investment. Article 1 of the ERDF Regulation states that the European Regional Development Fund

is intended to correct the principal regional imbalances within the Community, resulting in particular from agricultural preponderance, industrial change and structural underemployment.

It goes without saying, therefore, that the regulation establishing the ERDF will have to be amended in one respect before the end of this year: that is, a new national quota must be allocated in accordance with the terms of Regulation No 724/75 to take account of Greece's accession to the EEC on 1 January 1981. I am convinced that no-one in this Parliament would deny Greece, as a future member, the right to benefit normally from the European Regional Development Fund and that you will therefore approve this allocation.

In point of fact, this Parliament has already approved a quota of 15 % for Greece. During the first reading of the 1981 budget an amendment tabled by the Group of European Progressive Democrats requesting the reinstatement of appropriations shown in the preliminary draft budget for the Community action in support of the national regional policies and which stated in the remarks: 'The Council and Commission must make the arrangements necessary to give 15 % of the ERDF' was unanimously adopted.

The second aspect of the resolution contained in my report is its disapproval of the way the Commission and the Council have handled, or failed to handle, the long-promised and long-awaited reforms of a totally inadequate and ill-adapted European Regional

**Cronin**

Development Fund. This opportunity of discussing Greece's 15 % quota is the last opportunity that we in this Parliament shall have of addressing ourselves to the outgoing Commission and the Council on the question of ERDF reform before 1 January 1981.

I do not, Mr President, intend to waste the time of this House in enumerating all the events which have led to the present situation. Suffice it to say that I believe the facts give us the right to point an accusing finger at those who have allowed this situation to develop.

Most of the points contained in my resolution are nothing new. For example, in February of this year, before this same House, I referred to the inadequacy of the non-quota section of the ERDF, as I did to my reservations concerning national quotas. I also voiced my disapproval, you may remember, of the need for a unanimous vote in the Council of Ministers on non-quota projects. This Parliament approved me then, as I am sure it will approve me again today. Your are all familiar with the Council's statement:

The regulation must be reviewed in the near future — that is, before 1 January 1981. It is in this context that the Council will consider the new proposal from the Commission, taking particular account of the Parliament's views.

Need I say any more? I do not, however, have reservations concerning the Commission's attempt to use the proposal for a Greek national quota as a scapegoat behind which to hide and therefore use as a means of justifying their own failure to respect their commitments.

You might ask why I am suggesting only two modifications to the Commission's proposal: namely, the introduction of a qualified-majority vote and the increase of the non-quota section to 15 % of the Regional Fund. The answer is simple and straightforward. On the one hand, I am not advocating a revision but rather an adaptation of Community principles and practical operating requirements. On the other hand, I feel that the outgoing Commission must show some courage so as not to leave the new Commission with these two difficulties, which threaten to hinder its progress towards a genuine revision.

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

**Mr Griffiths.** — Madam President, on behalf of my group I would like to give our full support to the allocation of the 15 % quota to Greece when it becomes a member of the Community from January of next year. I would also like to support, on behalf of the group, the remarks which Mr Cronin made about the great need for urgent action on a review of the Fund's guidelines. This action is urgent not only to enable the Regional Fund to help the regions more effectively but also to enable the budget itself to be restructured so

that the people of Europe will feel that progress will be made through this Parliament. If we cannot go back to our electors in 1984 with some real and positive changes and not just a little bit of trimming around the edges, we will have failed.

I am sure that the Commission will take note of this, but I especially hope that the Council too will take note, that there will be a far-reaching review of the Fund guidelines, that this Community will move forward and that the disparities of wealth between the richer and the poorer parts of the Community will be reduced.

**President.** — I call Mr Pöttering to speak on behalf of the European People's Party (CD Group).

**Mr Pöttering.** — (D) Madam President, Ladies and Gentlemen, on 1 January 1981 Greece will become the 10th Member State of the European Community; I believe this to be a historic event for the European Community and we should always bear the historic significance of the accession of Greece in mind when discussing the report which my group, the Group of the European People's Party, endorses in full.

A great nation will be joining the Community — a country which has given so much to Europe and the world in the shape of philosophy, political experience, ideals and values. We in the European People's Party — and this is important in the context of a debate on regional policy — view the accession of Greece not only as an economic development with implications for agricultural products and industry, but also as a factor of great significance to the future of the whole European Community. When we talk about figures and money in discussing the Cronin report, the question as to the path which Greece will choose to take naturally arises. We have heard highly optimistic comments from Greek leaders; may I remind you of the words of the Greek President, Constantine Karamanlis, who said that the unification of Europe will be the greatest political event in the history of our continent.

This event will influence not only the fate of Europe but also the destiny of all mankind. We Christian Democrats greatly welcome the fact that the Greek Prime Minister, Georgios Rallis, and the European Commission through Vice-President Natali and Commissioner Giolitti who is attending this debate, have adopted a similar position. My group attaches such great importance to relations with the new Member State, Greece, that one of its Members, Bernhard Sälzer, became chairman of the Joint Parliamentary Committee for the association with Greece.

Ladies and Gentlemen, when I say that the Group of the European People's Party approves the Cronin report with its proposal of a 15 % contribution for

**Pöttering**

Greece, the question naturally also arises as to whether we in the European Community are providing enough aid and support to Greece. The European People's Party believes that our contribution is not large enough. Accession to the Community has aroused great expectations in Greece. May I remind you how high the expectations were when the United Kingdom became a Member of the European Community and how great the disappointment now is in Britain. I very much hope, Mr Griffiths — and I share your views on many points — you will manage to persuade your colleagues in the Labour Party to abandon their fateful policy of leaving the European Community.

*(Applause)*

I say this because we cannot disappoint further new Members of the Community. We cannot be satisfied with the 15 % support which we are now offering Greece from the Regional Fund. We in the European People's Party believe that a more far-reaching initiative must be taken. On the first reading of the budget my group therefore made a proposal for a Mediterranean plan constituting nothing short of a Marshall Plan for Greece, Portugal, Spain and the southern regions of the existing Community, i.e. the south of Italy and southern France; we did so because we believe that a major project is imperative to overcome the present problems of the European Community — we must once again show the courage to take real decisions in Europe. Let us remember that 56 million people live in Greece, Portugal and Spain, two-thirds of them in areas which are comparable with the poorest regions of the present Community, i.e. southern Italy and western Ireland. Unless we in the European Community do what is necessary to solve these regional problems we shall endanger in Greece, the country with which we are concerned today, and also in Spain and Portugal, the expectations placed by these peoples in the Community and the result will then be equally bitter for us in the European Community. I therefore repeat today on behalf of our group my proposal for the definition of a Mediterranean plan. That plan obtained a majority on the occasion of the first reading of the budget in this Parliament; all honour to this Parliament for the fact that all or at least most of its political groups endorsed this project. But then the Council of Ministers rejected the plan in the course of the conciliation procedure and deleted the corresponding title in the budget, thus demonstrating yet again that it is unable to take effective action in the present situation and above all clearly lacks the political determination to advance the political unification of Europe.

Ladies and Gentlemen, I would ask you in all sincerity to convey these points to your political groups and to inform those Members who have been unable to attend our debate today of the need to give their renewed support to our proposal for a revolving fund, a Mediterranean plan, during the second reading of the budget on Thursday; if your political groups give

their support in this way this plan will be included in the budget. That will provide the basis for a start to our work; appropriate instructions could be given to the Commission and inclusion of this plan in the Community budget would compel the Council of Ministers to concern itself with the future of the European Community and thus also with the future of Greece, Spain, Portugal and the other southern regions of our Community.

I would ask you to support our request next Thursday during the second reading of the budget just as you did a few weeks ago on the occasion of the first reading. We endorse the Cronin report — and I would like to convey our specific thanks to Mr Cronin on behalf of my group — but we must realize that all our previous decisions on regional policy can only remain isolated factors unless far-reaching initiatives similar to this Mediterranean plan are effectively taken and subsequently supported by political progress in the European Community. With the forthcoming accession of Greece and the subsequent addition of Spain and Portugal, our Community might all too soon be shattered unless we take the necessary political and institutional steps to achieve real progress; this involves first and foremost strengthening our Parliament and the Commission and also — this is probably the most important point — putting an end at long last to the unanimity rule in the Council of Ministers which is preventing progress and acting as an obstacle to the future of Europe.

Ladies and Gentlemen, a word in conclusion: the accession of Greece is a great opportunity for our Community and we Christian Democrats set high hopes in accession. But it is up to us in Parliament and in the Council of Ministers — I say this intentionally with an eye to events in Poland which we cannot influence — it is up to us in Parliament, in the Council of Ministers and in the European Community as a whole to do all that is necessary to ensure a secure future based on freedom in a free Europe and also based on solidarity which can guarantee peace.

This is a matter of political resolve; it is a matter for all of us, for the Council of Ministers, for the Commission and also for this Parliament.

IN THE CHAIR: MR VANDEWIELE

*President*

**President.** — I call Mr Harris to speak on behalf of the European Democratic Group.

**Mr Harris.** — Mr President, not for the first time this House finds itself in an incredible and totally

**Harris**

unsatisfactory position over the future of the European Regional Development Fund. We have before us an excellent report by Mr Cronin on the consequences for the fund and for the quota system in particular, of Greece's arrival in the Community in 17 days' time, and yet what do we find? According to my information, the Cronin report is already out-of-date and this, let me hasten to add, through no fault of our colleague Mr Cronin.

My information is — and I do ask the Commissioner to confirm this — that instead of a figure of 15 %, as the quota for Greece, apparently now the figure being talked about between the Council and the Commission, if not already agreed, is one of 13 %.

Now I heard these rumours some weeks ago and I questioned officials when they appeared before the Committee on Regional Policy and Regional Planning when we were considering Mr Cronin's report and I was given a blank stare by the officials, who pretended to know nothing about this.

Well, it seems to me that the committee has been kept in the dark, this Parliament has been kept in the dark and the Cronin report on this specific point, if my information is correct, is now largely irrelevant. And this makes a nonsense, an absolute nonsense, of the procedures of this Parliament for dealing with these matters. I would ask the Commissioner to put us in the picture about exactly what is going on over Greece's quota and also, if indeed my information is correct, whether he does not agree that this debate is something of a charade if the situation has changed in the meantime. And if it would not be a much better procedure, if there has indeed been a change in proposal or indeed decision, for the Commission to come forward with a revised proposal instead of going ahead with the particular content of this report?

But, of course, Mr President, it goes much wider than just the question of Greece's quota. That is the immediate decision which the Community is facing. But for reasons which have already been outlined in excellent speeches by those who have gone before me, we are of course facing a much bigger situation and indeed by its very scale a much graver situation when Spain and Portugal also come into the Community. My belief is that there has been little or no positive thinking on the part of either the Commission or the Council on how to face up to that situation. And I suspect that when Spain and Portugal arrive we shall again be faced with some hastily cobbled-together proposals.

That, quite frankly, is not good enough. This Parliament must go on fighting for a coherent change to the Regional Development Fund. The Commission has put off its intention to have this major revision of the Fund; we understand the situation, we understand the reasons for it but quite frankly I am not convinced by the reasons for it and I believe the Commission has a duty not just to this House but to the three new

member countries to come forward with the fundamental rethink of the Fund which is now so vitally needed.

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

**Mr Davern.** — Mr President, I would like first of all to congratulate my colleague and friend Jerry Cronin on his excellent report. This Parliament has been asked to approve 15 % of the European Regional Development Fund for Greece. The Council has requested our urgent opinion on the Commission proposals so that the amended ERDF regulation may be applied on 1 January next. This is a vitally important issue for Greece, the tenth member of this Community, and yet the Council has put it on its agenda under the heading 'Other business' in recent weeks. The Council should be discussing Parliament's opinion tomorrow when it takes a decision on the Regional Fund amount for Greece, but whether it will, in fact, be doing so remains to be seen.

This Parliament already approved unanimously a 15 % quota for Greece when it adopted this group's amendment to the Regional Fund during the first reading of the budget. The Council, however, saw fit to delete the remarks to our amendment which stated: 'The Council and the Commission must make the arrangements necessary to give Greece a 15 % share of the ERDF, while at the same time retaining the essential monetary modification.' This is a clear indication of what the Council thinks of our opinion, the opinion of this directly-elected Parliament. Is it not true that the Council has already decided on a figure of about 13 % for Greece? Is it not also true that the Council's delay in making this decision known has nothing at all to do with Greece, but rather with the redistribution of quotas while taking account of specific electoral considerations and the needs of the existing Member States.

Regional policy and planning in Greece is the key to its national development, and I have good reason to believe that this vital factor was highlighted by the Greek authorities when they negotiated their membership of this Community. I have good reason to believe that the Commission and the Council totally acknowledged that fact when they were negotiating with the Greek authorities. During the negotiating phase what, I ask, was the percentage used by the Council as the basis for discussion? The answer, of course, is 15 %. Parliament has no disagreement with that figure. We are totally in favour of 15 % as Greece's quota. There has been talk of compensating Greece for a decrease in its proposed ERDF quota by special concessions from the European Social Fund. I would advise Greece not to be lured into this type of corner. The Social Fund is different matter entirely. Indeed Commissioner Giolitti stated recently that the regional

**Davern**

policy should be viewed as an economic policy and not as social assistance. I would therefore warn Greece against being manoeuvred into this type of corner and getting involved in this type of argument.

In conclusion I would like to remind this Parliament that the 15 % which we are being asked to approve for Greece will only apply for the 1981 financial year. The all too long awaited overall revision of the ERDF, which may come about next year with a bit of luck and a bit of extra work by some people, should modify a lot of things, including the method of calculating national quotas. That would include Greece. Therefore any figure which the Council might adopt for 1981 other than the 15 % which has been used and brandished from the outset would indeed be a mockery of European democracy and especially of a country such as Greece, the very founder of our democratic system. I am supporting this report. My group is supporting it, and I would urge all members to support 15 % for Greece and nothing less.

**President.** — I call Mr Sutra.

**Mr Sutra.** — (*F*) Mr President, as the spokesman for my group indicated a few moments ago, we are of course wholeheartedly behind Mr Cronin's report. What I wanted to say is that there is an apparent contradiction between what we have heard here today and the budget as it was presented to us by the Council.

When I was asked by my party in my own country to draw up a report on the problem of the enlargement of the Community, basing myself on documents prepared by the Commission in Brussels, I said then that the distortion between the most prosperous regions, that is to say those with the highest wages in the Community, and the poorest regions after enlargement (namely Estremadura in southern Spain or Alentejo in Portugal), which was at that time in the ratio of 1 to 6 would increase to a ratio of 1 to 11. One or two people thought I was being pessimistic. Some felt that the ratio should be more like 1 to 9. Alas, history has proved us all wrong since the statistics for this year, two years later, show that the distortion is now no longer in the ratio of 1 to 11 but 1 to 12. Therefore, the disparity between the prosperous regions and the poor regions has been aggravated still further over the last two years and we know that the countries applying to join the Community, and not just Greece, which will be with us as from 1 January, but also Portugal and Spain, suffer from even greater regional disparities in that respect than those to be found in the Nine.

It is all very well preaching solidarity to us, but we should also like to see some of this solidarity reflected in the budget. When we see the budget of the Regional Fund cut as it was this year by the Council of Ministers after the Commission had put forward its

proposals, when we see Parliament reinstate the Commission's expenditure proposals only to see the Council cut them again — and this is what we shall be debating during the second reading of our budget tomorrow — well, not to mince matters, we are being lectured about solidarity while in reality the Community is apparently sinking deeper and deeper into self-seeking nationalism.

Faced with these exhortations to solidarity on the one hand and with the reality of nationalism and self-interest on the other, I find it quite incredible that at a time when the Community is embarking on a phase of enlargement southwards the Council of Ministers should see fit, at the first reading and again at the second, to prune the Regional Fund's budget so drastically. The point I felt I had to make is that the realities of our budget do not seem to square at all with our pretensions to humanitarian principles.

**President.** — I call Mr Hutton.

**Mr Hutton.** — Mr President, may I express to the Commissioner my bitter disappointment that we in this House, the first directly-elected Members, are being this year denied the chance to influence the scope of the Regional Fund. Certainly in my area in the south of Scotland the Community is probably best known for the work of the Regional Fund and I wonder what the Commissioner thinks the people of Europe think about us when they see the kind of off-hand attitude which is being displayed by the Commission to what ought to be the jewel in the European crown.

I do understand the Commissioner's dilemma and I am inclined to agree with Mr Cronin that only the report on the social and economic situation in the regions stands up as a good reason for the delay in the revision of the regulations. I am sorry to say, Sir, that the other three look like mere excuses. And if the delay experienced in the first revision — 13 months — is a good guide we may not see any revision in force until 1983.

I have to say that I think this is a cavalier and disgraceful way to treat directly-elected Members. Last month Mr Thorn told me in Question Time that the revision would take place during 1981 and if there is any backsliding, any other excuses from the Commission you can, Sir, expect a great deal more anger from this House. This subject is far too important to the people we represent to let it just along as though we were discussing nothing more important than the revision to the rules of the cloakroom at the front door of this building.

I have, Mr President, very much pleasure in endorsing Mr Cronin's remarks in his lucid and excellent report, particularly his remarks about the early increase in the non-quota section of the Fund. This, Sir, is surely the

**Hutton**

way that Europe must be looking in its regional policy and it must be looking at it quickly.

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — Mr President, I think that this House universally welcomes the Greeks in advance of 1 January. I would like to say that nobody welcomes them as much as I do, because I am at one periphery and they are at another. Their land has many problems. It is arid and hot. Mine has many problems: it is largely arid and cold. But I think that peripheries understand peripheries and I am certainly looking to the Greeks, even though I can no longer boast to this House about having more islands than anyone else. I had 80, but the Greeks with 3 000 rather leave me behind.

I am hoping, therefore, that the Greek Members will have a great compassion for all the problems that affect people who live in faraway islands and remote places. I hope that some of the points in the Cronin reports, such as point 3 where mention is made of the need to base assistance on Community criteria taking account of the specific needs of the regions will be noted. I have been urging that, with the accession of Greece, we should mark this appropriately by recognizing that a proper criterion for regional aid would be to help areas under threat of depopulation. There are many parts of the Community which are overpopulated and it must be quite hard for them to understand the sheer might of the magnet of industrial areas which attract people, as they do in my area and in Greece, to the cities from the remote places. If the remote places cease to be inhabited then we all, I think, lose out. Derogations are necessary from Community policies, such as the drivers' hours that make no sense in remote areas and cause grievous hardship. I am obviously hoping, Mr President, that with the accession of Greece I am going to have a great deal of sympathy and understanding from these new Members, who will at least know what I am talking about.

I do not think I want to add anything except to say that I welcome the report and to say finally that a little more flexibility would be very desirable in granting regional aid, because small is often beautiful. It often means the survival of a community in the EEC and sometimes the saving or creation of a very few jobs can actually mean that an island remains viable. I have said this for five years, Mr President, and it has not been taken note of but perhaps with the coming of Greece, this House will take note of the need for flexibility in downgrading the size of projects as worthy of aid and also to recognize the problems of depopulation.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, may I begin by expressing my sincere thanks to the rapporteur, Mr Cronin, and to all the Members who have spoken in this debate for their twofold contribution in stressing the significance of the accession of Greece to the Community while at the same time expressing criticism of some aspects of the Community Regional Policy and of the Regional Fund which is its financial instrument.

This debate is taking place two weeks before Greece is due to join our Community and it is therefore only natural for the importance of that event to be stressed here: the Commission is well aware of all that it will entail, as a number of speakers have rightly pointed out, not only from the economic point of view, but also from the general, political and historical angle, for the future of our Community. As far as the Regional Policy is concerned, the Commission has taken the necessary steps and completed the necessary studies to ensure that intervention from the Regional Fund can become effective immediately after the accession of Greece to the Community. I believe it is also important to recall, as other speakers have, that the accession of Greece demands the attention of all the Community institutions to the problems of the Mediterranean area of the Community; these problems are bound to acquire new weight with the accession of Greece and even more so with subsequent enlargements.

May I turn briefly now to two aspects of the report and of the speeches that we have heard; the first aspect concerns the more specific consequences of the accession of Greece for Regional Policy while the second relates to other aspects of the functioning of the Regional Fund since Parliament has most aptly taken this opportunity to call attention to these questions which have already been considered on previous occasions.

As regards the first aspect, may I say that the Commission has not at any time changed its initial proposal of granting Greece a 15 % share of the Regional Fund, working — let us be quite clear about it — on the assumption that this is only a provisional adjustment to the Regional Fund regulation designed to enable intervention from the Regional Fund to be effected immediately after 1 January 1981 for the benefit of Greece. It is also true — and I wish to confirm this point clearly — that during discussions in the Council of Ministers on this point the view has tended to emerge that the Greek quota should be reduced because of the fact — about which there is some dispute — that the Commission's proposal is based on statistics for the whole territory of Greece including the Athens area which we consider should not be the subject of intervention from the Regional Fund but which should nevertheless be taken into consideration in any overall assessment of the general implications of the regional problem in Greece. The Council does not apparently share this view which, let me repeat, the Commission



**Giolitti**

has always maintained and still does firmly maintain. I should also add that the definition of the Greek quota is applicable only to the year 1981; that is clearly indicated in the amendment which we are proposing to introduce to the regulation. The Council of Ministers, however, has not taken a decision on this matter: it is true that a Council decision is imminent but it will not be taken before Parliament has delivered the opinion which it is now debating and which will I believe be adopted in a few hours time. We are faced here with certain deadlines because, as I see it, we all share the belief that a decision must be taken before the beginning of the new year and before Greece actually joins the Community: the last deadline is therefore the final meeting of the Council of Ministers of General Affairs today and tomorrow in Brussels — but they will not take their formal decision until Parliament has delivered its opinion.

I come now to the other, to my mind apt, observations which have been made on the subject of the definition of the Greek quota of the Regional Fund. We have already had occasion to discuss all of these questions in the Parliamentary Committee on Regional Policy and in the Plenary Assembly and I have repeatedly expressed the Commission's full agreement with the critical remarks and suggestions made by Parliament on the policy to be followed in the context of the review of the Regional Fund Regulation.

I have already explained on previous occasions why we did not feel, and still do not feel, it possible to review the Regional Fund Regulation in 1980. May I remind you extremely briefly of the reasons: the first report on the social and economic situation in the regions of the Community has only been available for a few days but it provides, at long last and for the first time, a valuable analytical basis for a review of the fund regulation taking into account the real situation existing in our Community at regional level. We must also — in other words the future Commission must do this — undertake a complete reappraisal of the Community policies and budget. I am convinced that it would have been wrong to review the Regional Fund Regulation before this overall reappraisal has taken place because I believe it most important for the Regional Policy not to be relegated to the side-lines: I would go so far as to say that it must be the focal point of the future reappraisal if it is true, as has so often been maintained in Parliament, that Regional Policy must increasingly — especially in an enlarged Community — become a vital instrument, a key policy to safeguard and strengthen the internal cohesion of our Community.

I shall not dwell on the details and I think it sufficient for me to repeat here that we endorse the suggestions and criticisms once again expressed so clearly by Parliament in this debate on the basis of the lucid report by Mr Cronin; there are two specific aspects which are central to our concerns: that of the scale of the non-quota section and that of the procedure for

the approval of Commission proposals relating to Community actions to be financed from the non-quota section. For the rest I would remind you that the Commission's initial proposal on this subject fits in with all that has been said in this debate and in the Cronin report in support of an increase in the volume of the non-quota section from 5 to 15 %: we had initially proposed that this section should amount to 13 % of the total so that we have been in agreement on this point from the outset, just as we were and still are in agreement on the fact that a qualified majority and not a unanimous vote should be necessary to obtain approval for Commission proposals in respect of actions to be financed from the non-quota section.

Mr President, I wanted to make those brief remarks during this debate, in a desire to draw your attention once again to the views and guidelines which the Commission has already had occasion to put forward in the past. I hope that the future Commission will continue to work on the same lines.

**President.** — The debate is closed.

The vote will be taken at the next voting time.

*23. Urgent procedure*

**President.** — I have received from the Council a request for the application of the urgent procedure provided for in Rule 14 in respect of the proposal for a regulation on the use of hormones in domestic animals (Doc. 1-580/80). Urgency is justified by the fact that the Council would like to take a decision on this proposal before the end of the year.

I shall consult Parliament on this request for urgent procedure at the beginning of tomorrow's sitting.

*24. Compensation of Greece for its contribution to the costs of the financial mechanism*

**President.** — The next item is the report by Mr Dankert, drawn up on behalf of the Committee on Budgets, on the proposal from the Commission of the European Communities to the Council (Doc. 1-653/80) for a regulation compensating Greece for its contribution to the costs of the financial mechanism and the supplementary measures for the United Kingdom (Doc. 1-703/80).

I call Mr Dankert.

**Mr Dankert, rapporteur.** — (NL) Mr President, the Commission has submitted to us a draft regulation

**Dankert**

concerning compensation to Greece for its contribution to the costs of the financial mechanism together with supplementary measures for the benefit of the United Kingdom. The Committee on Budgets unanimously felt that this proposal was unnecessary. Why is it unnecessary? Firstly because the Community must cease the practice of resorting superfluously to twofold legislation: once through regulations and once through the budget. I recognize that this leads to a substantial increase in paperwork but it is quite unnecessary.

What is the true situation? A political agreement has been made and embodied in point 4 of the Council Decision of 30 May; the agreement is that eight Member States should cover the cost of a reduction in the British contribution. Point 4 thus expressly excludes a ninth Member State which was not a Member State at the time, i.e. the Republic of Greece. The Commission now says that the situation is really not so clear and that a regulation is therefore necessary. It has taken as the basis of its regulation the very same point 4 of the Council decision of 30 May 1980. As far as that is concerned there is no difference of opinion between the Committee on Budgets and the European Commission. All kinds of other agreements have clearly indicated how the compensation is to be paid to Greece. The first and most important provision is contained in Articles 1 to 7 of the Act of Accession which provides for a gradual increase in the Greek contribution to the Community over the next few years. That is not in itself sufficient because Greece would then have to pay part of the British contribution, to put it in perfectly clear terms. To prevent that necessity the Commission included in the budget Article 491 which provided for the reimbursement of 100 % of the Greek contribution to the British payments. That should surely be sufficient and the Committee on Budgets can therefore see no reason whatever to issue a further regulation on this point. This Parliament has always stood by the position that the remarks contained in the budget on matters of this kind, constitute a sufficient juridical basis for a decision.

The Committee on Budgets therefore proposes that the Commission should be advised to withdraw its proposal and state quite clearly in Article 491 of the budget relating to this particular problem, that Greece will be fully compensated for any extra payments to the Community arising from the agreement on the British contribution.

**President.** — I call Mr Notenboom to speak on behalf of the European People's Party (CD Group).

**Mr Notenboom.** — (NL) Mr President, although it is true that the Committee on Budgets has taken a unanimous decision on this matter as indicated by the rapporteur. Mr Dankert, whom I wish to thank for

his report, my group still considers it necessary to explain quite clearly why we subscribe to this view.

Quite clearly there is no difference of opinion on the fact that Greece must not be asked to contribute to these particular payments; there is also no difference of opinion between the Commission, Council and Parliament on the amount involved. There is a general consensus on all this. The Council adopted the same view in the draft supplementary budget for 1980 which is also a Council decision with the force of law.

If it is now felt necessary to create a superfluous new regulation so as to provide a so called juridical basis for a decision, we feel that this is going too far. To adopt such a document would be to underestimate the legal force of budgetary decisions and the legal force of Council decisions, one of which I have just mentioned.

This regulation is therefore not only superfluous but also bureaucratic. I see this document as a typical piece of bureaucracy — of the kind of bureaucracy which we do not want. Briefly, those are the reasons for which we strongly endorse the rapporteur's views.

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

**Mr Nord.** — (NL) Mr President, my group too supports the conclusions reached by the rapporteur and my group likewise considers it important to indicate briefly why we share this view; I say this because the issue is more important than might seem at first sight. The underlying issue here is the juridical significance of the budget as a Community text and as a Community instrument. There must obviously be a clear juridical basis for the repayments to which Greece is entitled. The Greek government would no doubt not be satisfied with anything less than a clear juridical basis. But in our view the legal basis exists and it exists in three parts: firstly there is point 4 of the well-known Council decision of 30 May which expressly states that the costs are to be born by the other eight Member States; then there is the second Letter of Amendments to the draft budget which allocates appropriations to this budget line pursuant to the decision of 30 May, and thirdly there is the budget line itself with the accompanying remarks which are no more than the logical consequence of the decisions to which I referred previously.

All in all, I cannot envisage a sounder juridical basis for these compensatory payments and this basis provides a sufficient guarantee to Greece. There is therefore no need whatever for a specific separate regulation and if such a regulation is nevertheless requested, the impression will be created — in this I agree entirely with Mr Notenboom — that the juridical significance of the budget is not accepted at its true

Nord

value. Parliament cannot accept that attitude which is why my group supports the conclusions of the rapporteur and also his request to the European Commission to withdraw this superfluous and in some respects even dangerous draft regulation.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, naturally I agree with Mr Dankert that it is absolutely right that Greece should be entirely compensated for its share in the financing of the reduction of the United Kingdom's net contribution in 1981, otherwise the Commission would not have suggested it in the first place. I also take the view that there has to be a budget entry and therefore that the budget is a necessary legal base; otherwise no compensatory payment could be made to Greece. I cannot agree, however, that the proposed regulation is totally superfluous and should be withdrawn.

The decision which is suggested by the Commission is an important decision of principle and an important derogation from the basic principle of financing the Community budget through own resources. To exclude one Member State from it cannot, in the Commission's view, be done by simple budgetary decision. I therefore regret to have to decline the invitation by Parliament to withdraw the regulation.

**President.** — I call Mr Dankert.

**Mr Dankert, rapporteur.** — (NL) Mr President, I am astonished that the Commission should put forward so few arguments, or in fact no arguments at all, in support of its position. The Commission states that it sees the budget as a sufficient basis. But nobody here has said anything to the contrary. We have said that the budget line is a consequence of a number of other decisions already taken following the Council decision of 30 May and the Letter of Amendment forwarded to us by the Council. It is therefore not simply a matter of one budget line! The decision is a consequence of previous decisions and, as we see it, has force of law and there is no point whatever in submitting a new text now. There is already a sufficient basis and sufficient indication has been given in the budget itself. May I say again how sorry I am that the Commission has put forward so few arguments in support of its position. And if there are so few arguments the regulation must indeed be superfluous.

**President.** — The debate is closed.

The vote will take place at the next voting time.

We have now dealt with all items on the agenda up to Question Time, which will begin at 6.30 p.m. Since we

have to adhere strictly to the agenda, the sitting must be adjourned.

The sitting is suspended until 6.30 p.m.

(The sitting was suspended at 4.55 p.m. and resumed at 6.30 p.m.)

IN THE CHAIR: MR ROGERS

*Vice-President*

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

#### 25. Urgent procedure

**President.** — I have received from the Council a request for urgent debate pursuant to Rule 14 of the Rules of Procedure on:

- a proposal for a regulation on the common organization of the market in cereals (Doc. 1-701/80)
- a proposal for a regulation on the common organization of the market in sugar (Doc. 1-471/80)

Urgent procedure is requested to enable the Council to act on these proposals before the end of the year.

I shall consult Parliament on these requests at the beginning of tomorrow's sitting.

#### 26. Question Time

**President.** — The next item is Question Time (Doc. 1-686/80).

We shall begin with questions to the Commission.

Question No 1, by Mr Combe (H-438/80):

Given that the Community's electronics industry is an important source of innovation for all sectors of European industry, that the colour television industry is an essential element in the aforementioned Community industry, that the most important component of a television set is the tube and that 48 % of all television tubes in the world are manufactured in Japan, what does the Commission intend to do to protect Community manufacturers of television tubes against the inroads of the Japanese industry which is pursuing a policy similar to that already pursued in other fields?

**Mr Natali, Vice-President of the Commission.** — (I) The Commission recognizes the importance of the colour television tube industry for the reasons indicated by the honourable Member.

**Natali**

For technical and economic reasons the tube industry in the Community has concentrated on the production of large tubes with a diameter of more than 51 cm. We must therefore expect a certain level of imports, especially for small television tubes and those imports cannot be considered as a risk to our industries. However, the Commission has noted a steep increase in imports of television products from Japan to the Community this year; the increase has been much higher than the growth of the market: in the period of January to October 1980 there has been a 33 % increase in imports of television tubes and a 44 % increase in imports of television sets as compared with the same period in 1979.

The Japanese government has stated on a number of occasions that it had no intention of flooding the market of third countries and Mr Davignon has drawn the attention of the Japanese authorities to the consequences of their exports of colour television sets. The Japanese authorities have indicated that, as an immediate measure, they will ask their exporters to proceed with greater prudence.

In the longer term the problem of the television sector forms part of the wider question of the European Community's commercial policy in relation to Japan. The honourable Member will no doubt be familiar with the conclusions reached by the Council on 25 November in which the Council expressed its serious concern about trade relations between Japan and the Community. The Council agreed on the need to open a dialogue with the Japanese in order to seek a common strategy.

A meeting took place on 11 December between the Japanese Minister of Foreign Affairs, Mr Hito, and Vice-President Haferkamp and Commissioner Davignon as the first stage of this dialogue; the Commission will be reporting to the Council on the outcome of the discussions before the end of February 1981.

**Mr Combe.** — (*F*) The Japanese began with an onslaught on the United States market. When the United States signed an agreement with the Japanese stipulating a quantitative ceiling, sales in the United States of these Japanese tubes dropped sharply — by more than 40 %; it was then that the Japanese turned their attention to Europe.

Could the Community not sign an agreement similar to that recently concluded between the United States and Japan?

**Mr Davignon, Member of the Commission.** — (*F*) The situation of the Community is rather different from that of the United States. For example a great many of these tubes are imported by European companies for assembly in appliances which are then exported to

third countries. The discussions now under way with the Japanese thus fall within the context of our request to them to show moderation in sectors where the attitude of the industrial companies concerned is now showing a radical change. It is quite clear that these companies are at present taking a number of steps towards industrial cooperation and are looking into our real needs and possibilities. Our discussions with the Japanese do not therefore have an entirely different basis from those which they have held with the Americans. On the other hand their scope is wider because the situation in Europe is more diversified. For example if all imports of Japanese tubes were to be prohibited today a number of European companies, and not the smallest, in almost all our Member States would be placed in difficulties. How is the transition to be made? This whole problem is the subject of our discussions.

**Mr Marshall.** — May I assure the Commissioner that any action he takes to deal with unfair and subsidized Japanese imports will be warmly welcomed by this House. Would the Commissioner point out to the Japanese that this Parliament believes in fair and reciprocal trade and does not believe in Community industries being strangled by unfair competition from the Japanese? In particular would he take account of the fact that the Community television industry has a worldbeater in the TX range and that we do not intend to allow this child to be strangled by unfair Japanese competition?

**Mr Davignon.** — (*F*) In its discussions with Japan, the Commission will be encouraged by the honourable Member's statement.

(*Laughter*)

**President.** — Question No 2, by Mr Cousté (H-485/80):

The Finance Ministers of the Nine having, at a meeting in Mullerthal, devised a new loan plan to help Community countries in balance of payments difficulties, can the Commission state whether the Müllerthal projected mechanism is different from the procedures hitherto applied under what is known as the Ortolí facility?

**Mr Vredeling, Vice-President of the Commission.** — (*NL*) The recent initiative to which the honourable Member refers in his question is a consequence of the discussions which have taken place in 1980 in various Community bodies over the role which the Community might play in the area of capital movements as a result of the balance of payments problems which have resulted from the increase in the price of oil products. A clear distinction must be drawn between this initiative and the new Community instrument or Ortolí facility; this distinction applies in particular to the aims

## Vredeling

and procedures to be applied. In the first instance, i.e. loans to correct balance of payments distortions, the Community will be making use of its credit standing to float loans in third countries, for example in the oil producing countries, from financial institutions or on the capital market with the intention of relending the funds obtained in this way to a Member State experiencing balance of payments problems as a result of the rise in oil prices. The decision to make such loans available under specific conditions will be taken by the Council of Ministers. In the second instance — that of the new Community instrument — the resources obtained by the Community will be used to provide loans to finance specific investment projects which must be in line with the principal objectives of the Community. The Council will determine the loan tranches and the criteria to be met by them. The Commission will then determine whether a particular project is eligible for a loan and the European Investment Bank which acts for the account and at the risk of the Community, will be responsible for granting and administering the loans. I would add that on 30 October last, concurrently with its report to the Council and Parliament on the experience gained with the new Community instrument, the Commission submitted a proposal to the Council for the continuation of this instrument with one important change — deletion of the provision of a ceiling of 1 000 million European units of account.

**Mr Cousté.** — (*F*) The Commission has just indicated — and I am grateful to it for doing so — that there are two different types of instrument. We are familiar with the mechanism of the Ortoli facilities and it is precisely because we are familiar with it that we want to know the scale of the new loan plan to assist the Community countries through recourse to oil-producing countries. We see this as an illustration of the North-South dialogue. If I have understood you correctly, the size of the loans to be contracted with the oil-producing countries was not stated in the reply and that is the very point which I wish to know.

May I add that we are also concerned to know how these new loans are to be administered. Will the management methods applied to the Ortoli facility be used in this case too?

**Mr Vredeling.** — (*NL*) I shall briefly answer Mr Cousté by providing the further details requested by him. The fact is that the existing loan facility has so far been limited to a ceiling of 3 000 million dollars in view of certain payment problems. The new proposal increases the maximum to 7 000 million and the term of the loans which was restricted to 5 years under the previous regulation will now be unlimited. The administrative arrangements and the procedure for making the various loans available having regard to balance of payments difficulties will be arranged in a similar manner, particularly as regards the oil-producing

countries. There will be only minor changes but I believe it would go too far in the context of an answer to an oral question to provide details on this point. I would refer you to Mr Ortoli who is more competent to deal with this matter and who will be reporting to Parliament later.

**President.** — Question No 3, by Mr Deleau (H-490/80):

With Greece due to become a Member State of the European Community in January 1981, does the Commission intend to impose on Greek iron and steel undertakings the same measures adopted recently in respect of the Community iron and steel industry?

**Mr Davignon, Member of the Commission.** — (*F*) I am able to give an assurance that all the necessary arrangements have been made for the provisions of Article 58 together with all the other provisions of the ECSC Treaty, to be applied to Greece from 1 January 1981. The final points relating to quotas remain to be fixed because there are certain technical difficulties largely because the Greek statistical system does not coincide entirely with the Community's own system of statistics. A final meeting with Greek experts will be held on 17 December to enable the system to take effect smoothly on 1 January.

**Mr Deleau.** — (*F*) Perhaps my question is no longer topical because, at the time when I drafted it, the Commission was adopting provisions relating to the European steel industry. I wanted to point out that when the agreements on European steel industry were adopted Greece would be joining the system at once, even before January 1981, in which case the provisions would be applicable in full to Greece, including the provisions in respect of control.

**Mr Davignon.** — (*F*) Under the terms of the Treaty of Association we were in an extremely complex situation during the period leading up to 1 January. It was therefore necessary for us to work pragmatically with our Greek partners because no juridical basis had been found. The contacts which we had with the Greek steel industry and Greek authorities at the end of September and early in October enabled us to ensure, without formal controls, the existence of equal conditions from then on; those conditions will be formally laid down from 1 January onwards.

**President.** — Question No 4, by Mr Ansquer will not be called as the matter will be debated later in the week.

**President**

Question No 5, by Mrs Vayssade (H-501/80):

The setting up of a lead battery factory by General Motors in Sarreguemines has given rise to grave concern amongst the people affected on both sides of the border.

Could the Commission give details of the progress made in enforcing the Directive of 29 March 1977 on the biological screening of the population for lead?

**Mr Vredeling, Vice-President of the Commission.** — (NL) The Commission has recently put the finishing touches to a report on the application of the directive to which the honourable Member referred. That report has been compiled in cooperation with the competent national authorities and will be shortly forwarded to Parliament and to the Council. The results of the first campaign of measurements show that the lead content of blood is generally lower than might have been expected in the light of previous, more fragmentary studies. Measures have been taken in the various Member States to improve the situation and the second measurement campaign provided for in the directive will take place early next year.

On the basis of discussions following the first report and having regard also to the results of the second measurement campaign which is to start early next year, the Commission may propose to the Council an extension of the validity of the directive in order to enable a third screening programme to take place over a period of three to four years. The same methods may then be applied for evaluation of the health risk in areas other than lead, in particular in respect of certain equally toxic products such as cadmium and mercury which also give grounds for concern. Finally we have a further proposal on our agenda this week to which I would briefly draw your attention, namely the directive concerning the exposure of workers to lead at the place of work. May I point out that this proposal contains a number of measures designed to keep contamination by lead outside the work place as low as possible, with particular reference to the contamination of members of workers' families.

**Mrs Vayssade.** — (F) I hope that this report will soon be submitted to us but I would ask Mr Vredeling what specific action has been taken by the Community in the case of Sarreguemines where there is a factory which will be processing lead and thus creating a further risk to the population living in the vicinity; in the case of the Sarreguemines plant this problem is aggravated by the location close to a national frontier. We therefore have the problem of providing information on both sides of the frontier. Does the Commission envisage specific action when the location of a plant of this type in the Community is announced? Does the Community then organize a campaign for the protection and surveillance of the population immediately before and after construction of the

factory in order to measure the precise risk of a plant of this kind?

**Mr Vredeling.** — (NL) If there is a risk of lead pollution of the population in frontier regions, the Commission will have to take steps with the Member States concerned. This matter is also dealt with in the Seveso directive now under consideration in Parliament. In general the Commission must therefore take concrete action when there is a health risk in frontier regions involving more than one Member State.

**Mr De Goede.** — (NL) The Commissioner has used the word lead and referred to the Seveso problem. My question now is this: is there not now a need to extend Community legislation relating to the discharge of toxic substances into the soil. Recent events have highlighted this problem in the Netherlands: in the polder near Amsterdam, Philips Duphar is discharging a highly toxic substance known as dioxyne; there have also been press reports about radio-active waste on the Kema plant site. I know from my own experience that these are not merely reports but also facts. My specific question is whether existing Community legislation is sufficient to combat the discharge of highly toxic substances into the soil and if not whether the Commission is prepared to give an assurance that legislation and control in this area will be extended?

**Mr Vredeling.** — (NL) As regards the general problem of soil and water pollution, I would say that Community regulations are applicable whenever certain problems are experienced in dealings between States. As regards the specific cases mentioned by him in my own country, it seems to me that these are initially the responsibility of the national government and I know that it is acting at present in the particular cases referred to by him.

**Mrs Roudy.** — (F) Could Mr Vredeling say exactly what he means by stating that the Commission is going to act in a particular matter? Since he referred to the Seveso directive I would ask him whether the Commission's action has been sufficient to convince the Council of agreeing on the need for information of all parties when a plant is sited close to a frontier. This is a matter of deep concern to us and on which he might usefully give us information. I think that Mr Natali who is closely following this matter could also give us some information.

**Mr Natali, Vice-President of the Commission.** — (I) I believe that the honourable Member is aware of the meeting last Friday of the Council of Ministers of the Environment during which the text presented by Parliament and endorsed by the Commission obtained substantial support.

**Natali**

It was not possible to adopt the text because the problem of the juridical form to be chosen for it remains to be solved: is the provision to be embodied in an article of the directive or in a Council declaration recorded in the minutes?

As far as we are concerned I think it is necessary for us to take action at the earliest possible opportunity to control the process of information between the individual Member States.

**Mrs Viehoff.** — (NL) Is the study of lead also directed specifically to small children? It has been found that they come into much closer contact with lead than adults because they play in the open air and atmospheric pollution by lead which reaches the ground particularly affects children who play in the sand or on the street in the open air. Can you tell us whether specific studies have been directed at children since otherwise one obtains a completely distorted picture with unrealistic averages and peaks of little practical use.

**Mr Vredeling.** — (NL) The research into the effect on the population to which reference is made in this directive covers the entire population, including children, a group which, as the honourable Member has said, is indeed particularly exposed to this health risk.

**President.** — Question No 6 by Mr Turcat (H-505/80):

What is the Commission doing, and what does it intend to do, about establishing European standards to promote telematic communication within the Community, the setting up of European data-banks and the market in European products, in order thus to safeguard the economic and cultural independence of the Community?

**Mr Davignon, Member of the Commission.** — (F) Mr Turcat has posed a vital question. It is quite certain that in a rapidly evolving area in which developments are closely bound up with juridical norms, the problem of norms and standards and the way in which they are used is liable to make or break the prospects of a particular industry. This is an extremely wide problem and one on which the Commission has prepared two documents which are at present both before Parliament: a document dealing generally with our attitude to standardization and a more specific document dealing with actions in the area of telecommunications.

More specifically, but without going into too much detail because this is not the occasion to do so, I might say that in the area of informatics the Commission is taking part in the specific work of OSI or Open System Interconnection with a view to the definition of norms at that level since the equipment concerned is intended from the outset for international use. On the

other hand if work in the development of standards were to be seriously retarded, thus placing European industry in a difficult situation because it is less powerful than the data processing industry of other countries, it might then be necessary to give consideration to a European standard. The Commission in conjunction with industrial companies and the Member States is following developments in this area.

In the area of telecommunications — I shall not dwell on this because the Commission has made a series of recommendations in its communication on this subject now before Parliament — and in that of data banks it has become apparent that the proposal to create a general system of software has not obtained the support of the major European manufacturers of data processing equipment. We have therefore chosen a different path and supported, in our first and second action plans in the area of information and documentation, the development of a common language for the interrogation of data bases in the bibliographic sector. Because of the rapid progress of research it will probably be necessary to reconsider our position on this. I think I have given some general indication of the priority which the Commission attaches to this sector because it has a direct bearing on the creation of a domestic market, on the success of research and on the development of an industry which is vital in this sector.

**Mr Turcat.** — (F) I am not very sure what priorities the Commission has actually chosen apart from following the work of OSI. We have two reasons for concern. Firstly, twenty years after the first efforts at standardization, it must be conceded that it is still just as difficult and expensive to interconnect the equipment of different manufacturers, except equipment classified as compatible, and this leads us to speak of the power wielded by a particular manufacturer. Attempts at standardization and the COBOL venture which started by being unified and then became divided, threaten most possible future standards and highlight one important aspect of the problem: is it not a fact that the cost and effort involved in introducing the standard initially outweigh the benefits to be obtained in terms of freedom from dependence on suppliers or on one particular supplier? This is a very wide problem and, like Mr Davignon, I do not propose to go into detail. For my supplementary question I shall confine myself to a subject which is more easy to grasp: what position has been adopted in the telecommunications sector on standardization at European level of telematics systems of the Prestel and Videotec types to prevent us being faced with problems similar to those experienced in the case of television with the initial difference between 819 and 625 lines and then the difference between the Secam and Pal systems?

**Mr Davignon.** — (F) On the first point I would like to reassure Mr Turcat. When I say that we are follow-

**Davignon**

ing the work of a particular body I do not mean that we are passively observing the discussions. We are trying to use the combined strength of the position of the ten Community countries and of their representatives to obtain acceptance of a quite specific position in this particular body, OSI, or in the CCIT; the users themselves asked us to do this.

As to the question of the compatibility between the Prestel, Videotec and other systems, we certainly did not want to be faced with a repetition of the situation experienced with Pal and Secam or with the 819 and 625 line problem; I am sorry to say, however, that we were late in making a start in this matter and we are already faced with a situation in which it is necessary to create connexions, i.e. to permit communication through the addition of technical facilities. The equipment is not compatible as it stands. We have the working party which is examining how this new equipment can be rendered compatible as it is developed. As regards the Commission's procurement policy and the connexion and use of equipment in this area we have made it a rule never to purchase equipment which was not immediately compatible with other European equipment and additional costs have been incurred to avoid experiencing this problem. That explains why the Commission's policy in the area of norms and standards consists in creating the conditions which will prevent this type of situation from arising. But this also necessitates an open-minded approach on the part of the industrial companies and public authorities concerned who would be well advised not to conceal from us for too long the specific characteristics of equipment which they are intending to develop; this aspect has a direct bearing on the question which you put to us. I hope at all events that it will be possible to find a solution to this problem.

**President.** — Question No 7, by Mr Prag (H-448/80):

Will the Commission state what progress has been made in the matter of removing the very substantial artificial cost advantage given to Dutch tomato-growers — calculated by the National Farmers' Union at some 40 000 EUA per hectare of glass, or 0.17 EUA per kilo of tomatoes relative to British growers — by the preferential price at which natural gas is sold to them by Gasunie for the heating of glasshouses?

**Mr Burke, Member of the Commission.** — In connection with the preferential prices for natural gas, the Commission has initiated a procedure under Article 93 (2) of the Treaty and has formally requested the Netherlands Government to submit its observations. It has also formally requested the other Member States and other interested parties to submit their observations. After hearing what they all have to say, the Commission will decide whether and within what period of time the preferential prices should be abolished.

**Mr Prag.** — I understand that Dutch proposals are already to hand. Could the Commission tell me what its calculations is of the cost advantage which, if the Dutch proposals were adopted and if oil-prices rose by 15 % next year, as expected, Dutch tomato-producers would again enjoy by the end of 1981, and will it tell me how long it intends to take to solve this problem, which has been with us for far too long already, and to achieve continuing, not temporary, fair competition among tomato-growers in the different Member States of the Community?

**Mr Burke.** — The Commission took its action as recently as 7 November 1980, by letter to the Netherlands Government. I am not aware that any further indications have come to hand which would enable me to give the honourable Member the kind of information which he desires.

I must point out that this matter has to be carefully examined to determine whether a particular price support constitutes an aid. Now it may seem easy enough, following the line of the questioner's supplementary and considering it from an economic point of view, to answer the question, but from the point of view of the Treaty, it is necessary to establish the extent of State participation in fixing the prices and the financial sacrifices ensuing before it can be decided whether a State aid exists within the meaning of the Treaty. I might point out also that the Commission has endeavoured to persuade the Netherlands Government to take a particular action on its own initiative, but without success, before undertaking the action which I have described.

It would be impossible at this stage for me to give an estimation of any advantages in advance of the Commission decision in the overall matter.

**Mr Van Minnen.** — (NL) I wonder if the Commission can say what progress has been made towards a lessening of the substantial artificial cost advantages enjoyed by tomato growers in a highly discriminatory manner who obtain their heating from solar energy which is practically free in their areas. I know that this does not apply to British tomato growers and I cannot make a ready reckoning of the units of account per pound of tomatoes, but I assume that the Commission intends to restore the balance of competition in favour of the Dutch tomato growers by imposing for example a requirement to set up awnings to cut out the unjustified benefit of free sunshine . . .

**President.** — The question is directly concerned with preferential gas-prices. I think that if you want to elicit from the Commission comparative prices of energy supplied, then you would do better to put a written or oral question down yourself for I do not think the Commissioner would be in a position to answer this. If



**President**

you read the annex to the Rules of Procedure, you will see that your supplementary question is out of order.

**Mr Hutton.** — Would the Commissioner not agree with me that the Commission has been tardy in taking its action against the Dutch, and would he say whether the Commission, if the Dutch raise their prices, is prepared to help producers such as those driven out of business in the Clyde Valley of Scotland as a consequence of the Commission's tardiness, to come back into business?

**President.** — The Commission does not have to answer that: I think it is right on the borders of the question. You are now talking about aid for farmers in another region, not specifically about this question . . .

*(Interruptions from the floor)*

Mr Prag in his question asked exactly the same as you did. You then extended it to ask if the Commission was prepared to give aid to farmers in another region. That is a different matter altogether, and I am ruling it out of order.

**Mr Price.** — Am I right in thinking that as long ago as June the Commission found that there was a *prima facie* breach of the Treaty? In view of the length of time that has passed since then, I am wondering whether the Commission realize that a solution is required urgently. The livelihood of a large number of growers in several member countries depends on conditions of fair competition being restored, and in Lancashire, in the United Kingdom, growers are finding it hard to make any profit at all while they face this unfair competition at the same time as high interest payments. When do the Commission foresee that this problem will be resolved? The timetable is all important.

**President.** — Are you in a position to give a timetable, Mr Burke?

**Mr Burke.** — Not immediately, except to indicate that no undue delay will take place in the processing of this issue. It is taking the normal time to reach conclusions on this matter. I can sympathize with the people who put the question, but there is no question of tardiness on the Commission's part.

**Mr C. Jackson.** — May I just press this matter a little further and ask the Commissioner whether he can assure us that the highest priority is being given to restoring fair competition in this market? We appreciate that whether the cost advantage is an aid or not is

a difficult question, but he must be aware that this is causing great difficulty to growers in other countries.

**Mr Burke.** — As you are aware, I can give the assurance sought.

**Mr Fanton.** — (F) Mr President, I think that this discussion has not in any way departed from the question and I have unfortunately observed that the Commission is still not answering the only question which has been put.

Is it true that the decisions in question represent an advantage of 0.17 EUA per kilo of tomatoes? I cannot understand why the Commission should need so much time to determine this. What is quite clear, Mr President, and this is my question, is that while energy is used to grow tomatoes in regions which are obviously not natural producing regions, the other areas in which tomato growing is a natural occupation are exposed to twofold unacceptable competition: firstly the produce is grown at the expense of the Community's own energy resources and secondly this type of cultivation disturbs the balance of normal tomato growing. The Commission says that it has begun to look into the matter. I would remind you that during this part-session we have been dealing with the accession of Greece, in other words with the problem of farming in the Mediterranean countries. If no measures are taken to solve the problems of the Mediterranean countries on the pretext that studies are necessary, for how long will this situation continue? When the Commission says that it cannot give a time schedule, when will it be in a position to do so? Is this subject so difficult to comprehend?

But all events the tomato growers themselves will be astonished to see that no answer has been given to such a simple question.

**President.** — Well, that question has been asked three times and the Commissioner has replied that he is not in a position to give a precise timetable. Obviously you have expressed your displeasure, but I do not see the point in the Commissioner having to answer that question yet again.

**Mr Fanton.** — (F) If the Commission wants to answer let it do so.

**President.** — No, Mr Fanton, your question was exactly the same, though in different words, as the two preceding ones. The Commission has said it is not able at the moment to give a fixed timetable.

**President**

Question No 8, by Mr Michel (H-468/80):

With reference to the statement by the President-in-Office of the Council in the European Parliament on 17 September 1980 that the establishment of the various power-stations is the Commission's responsibility, I would ask the Commission to indicate when it delivered, or intends to deliver, an opinion, pursuant to Article 37 of the EAEC Treaty, on whether the proposed establishment of further nuclear power-stations in Chooz may lead to radioactive contamination of the water, soil or airspace of another Member State. In addition, has the Commission discussed all the aspects of this investment project which are related to the objectives of the EAEC Treaty, pursuant to Article 43 of that Treaty, and if not, when does it intend to do so?

**Mr Vredeling, Vice-President of the Commission.** — (NL) On the basis of Article 37 of the Euratom Treaty the Commission will be delivering its opinion on the plan for elimination of the radio-active waste from the new nuclear power stations at Chooz within six months of receipt from the French government of general data on this project. According to the Commission's recommendation of 16 November 1960 on the application of Article 37 the general data on projects for the elimination of waste must be notified to the Commission at least six months before the date on which discharges are to begin. In the case of the Chooz power stations this means no later than six months before the commissioning of the first unit. As regards Articles 41 to 43 of the Euratom Treaty the Commission has not examined the investment project for these power stations as yet because, under the terms of Article 42, this project must be presented to the Commission three months before the start of activities and Electricité de France is not expected to commence construction of the new Chooz power stations before 1982.

**Mr Michel.** — (F) Mr President, I asked a similar question some time ago together with a supplementary question in which I asked whether the local population had been consulted on the construction of nuclear power stations in Chooz and in particular the population of the frontier regions who are concerned more often than others by such projects.

The Commission, through Mr Davignon, answered that it was aware of this consultation but had not received the results. Four months have now gone by. I assume that the results are now available and could be notified to Parliament.

But I have a further question: does the Commission propose to take the safety and hygiene measures necessary to prevent water contamination? As you know the people of Belgium and also the population of a part of the Netherlands obtain water supplies from the river Meuse. Should the necessary controls which are so important to the health of the population of these countries not then be carried out by respon-

sible and impartial Community departments giving a complete guarantee to all the people concerned? We are worried about this and I hope that the Commission shares our concern.

**Mr Vredeling.** — (NL) I can only give an assurance to the honourable Member that the opinion which we shall be publishing as soon as the relevant data reaches us within the specified time limit, will cover the very points mentioned in the question, i.e. the consequences of normal discharges, discharges in emergency situations and the risk to the population. The Commission will give particular attention to this as soon as we have received the corresponding plans. But I must point out, Mr President, that the time available to us is very short. To forestall a possible supplementary question I might add that we are now engaged on the revision of the 1960 recommendation. The result of our work will be known early next year. We shall propose longer time limits for the examination of these complex matters by the Commission.

**Mr Galland.** — (F) The question had a somewhat tendentious aspect: can the Commission therefore confirm that all the controls effected in the vicinity of all nuclear power stations have shown that radioactive contamination of the water, soil, and atmosphere was well below the permitted levels?

**Mr Vredeling.** — (NL) I cannot make a public declaration of that kind immediately. The aim of our studies is of course to establish, as I hope, what the honourable Member has stated, namely that there is no risk to the environment near Chooz. But until we have the necessary data I obviously cannot make a statement in one way or the other.

**President.** — Question No 9, by Mr Megahy (H-474/80):

What safeguards exist to prevent EEC officials from seeking to influence the domestic politics of the various Member States?

**Mr Natali, Vice-President of the Commission.** — (I) The second title of the Staff Regulations lays down a number of principles including a requirement on officials not to intervene in the domestic politics of Member States.

**Mr Megahy.** — My reason for asking the question is the fact that in the particular circumstances of the United Kingdom the British Government, faced with the fact that recent opinion polls showed only something like 29 % support for the EEC and also, what is more important, faced with the fact that the official opposition party, the Labour Party, by a two-thirds

**Megahy**

majority at its conference has voted to withdraw from the EEC, is planning a massive propaganda campaign to sell the EEC to the British people.

*(Applause from the European Democratic Group)*

They are prepared to go to any lengths, even to use Her Majesty the Queen, which I thoroughly deplore, for these arrangements. Will the Commissioner take account of the fact that we in the British Labour Party shall be watching very carefully indeed to see that Commission officials do not get embroiled in highly partisan campaigns to support the Tory Government in opposing the view of the official Labour Party opposition?

*(Applause from certain quarters on the left)*

**Mr Natali.** — *(I)* The remarks made by the honourable Member on the internal problems of a particular country cannot be answered here. In providing objective information to public opinion on various issues, the Commission officials are doing exactly what they are required to do.

**Mrs Hammerich.** — *(DK)* I find it quite understandable that Mr Megahy should want protection against Commission officials, but perhaps he should also seek protection against his colleagues in Parliament!

In Denmark, too, we have good reason to ask for a measure of protection. The Commission has a so-called information office in Copenhagen, the head of which receives a net salary double that earned by our Prime Minister. His function is to disseminate factual — and I stress the word 'factual' — information about the Community. But it seems that he has misunderstood his function; either that, or, on the contrary, he has understood his function only too well! For example, his office distributes free of charge three newspapers, namely 'EF-avisen', 'EF-fagligt' and 'Ung i EF'. These papers, which are produced in a large number of copies, are different from all other newspapers in Denmark in that they are free and in that they ought to be objective, but are not . . .

**President.** — Mrs Hammerich, it is not considered appropriate in this situation to attack a civil servant, and if you have any specific complaint about someone, I think you should contact the Commission directly. If you are going to put a supplementary question, would you please put your question.

**Mrs Hammerich.** — *(DK)* . . . But I want to talk about the papers. Can one talk about newspapers? Can't one talk about anything specific?

**President.** — Mrs Hammerich, will you please ask your question?

**Mrs Hammerich.** — *(DK)* I'm coming to that. I'm coming to it. I should like to know something more from Mr Natali about these papers, which are not at all objective. They are interfering in an aggressive and polemical manner in the political debate in Denmark and Greenland. When they write something that is untrue they will not give space to anyone who wants to set the record straight, nor are they inclined to print replies to their own tendentious articles. This is just one example of the way in which Commission officials meddle in politics, and in particular in the internal political affairs of my country. If these papers merely sought to inform, then we should be content . . .

*(Applause from certain quarters)*

**President.** — Mrs Hammerich, would you please ask your question!

**Mrs Hammerich.** — *(DK)* What does the Commission propose to do to prevent its information office in Denmark from misusing Community and taxpayers' money in this way?

**Mr Natali.** — *(I)* The Commission's information offices have a budget of their own which is approved by Parliament and they perform their proper function of providing objective information to the general public on events in the Community. I find it highly illogical to suppose that the Commission could engage in action contrary to the interests of the Community.

If Members of Parliament believe that the rules have been infringed in this instance they are at liberty to put questions in the Chamber and the Commission will readily answer them.

**President.** — I call Mrs Buchan on a point of order.

**Mrs Buchan.** — I don't know, but I had thought that there was a restriction on the number of supplementaries that could be put on any one question. If we are to have five people — and I am not objecting to this because according to the way this Parliament is run it is sometimes the only way that you can get in — would it be possible for the Commissioner to give one encyclopaedic response to all the points so that people waiting to raise points can all get in before the end of business?

*(Cries from the European Democratic Group)*

**President.** — I would agree with you that, for instance, in the last question there were quite a number of supplementary questions that were exactly the same in different words. It is a way of pressing the Commission for an answer. I have got five down on this one. I close the list.

I call Mr Seal to speak on a point of order.

**Mr Seal.** — Mr President, in order for you to have arrived at such a list so quickly it seems to me that you must be taking written applications for supplementaries. Now if this is the case, Mr President, it is defeating the whole object of supplementaries. Until we have heard the answer from the Commission we are not in a position to put supplementary questions. So could I ask that, in future, supplementary questions are not taken before the answer has been given by the Commission.

**President.** — Supplementary questions are not normally taken unless a Member indicates, perhaps beforehand, that he might want to. That is quite possible. But all the people on this list have indicated their intention since the question was asked.

**Mr Patterson.** — Mr President, as you are being quite lenient as to the form a question takes, I might observe to begin with that it is high time this Parliament had a debate on information policy and I appeal to the enlarged Bureau to see about this.

Can I have an assurance from the Commission, in view of the fact that we as elected Members of the European Parliament to which the Commission is responsible, are part of the domestic politics of Member States, that no pressure is going to be brought to bear on the information and press officers of Parliament and the Commission which may prevent them doing their job properly?

**Mr Natali.** — (I) I do not know to what kind of pressure the honourable Member is referring. I would like however to give him an assurance that the Commission is willing to answer politically for all that is done by its services while giving the utmost support to officials who are doing their duty.

*(Applause from the Members of the European Democratic Group)*

**Mrs Ewing.** — To stick to the question asked on the matter of influencing domestic politics: as the Commission must know that a straight majority of the people of Scotland in the UK voted for an Assembly, how does it explain the publication of documents in the name of the Commission referring to 'la reine d'Angleterre'? This happens constantly. Can the

Commission not at least have the courtesy to Scotland to get the name of the Member State right? Are they not aware that this amounts to interference by encouraging an anti-Scottish attitude within the UK, and is it not insulting to all the people of Scotland to breach in this way the Treaty of Rome?

**Mr Natali.** — (I) I have noted the remarks by Mrs Ewing which will be taken duly into account.

**Mr Moreland.** — I would like to get back to the question itself and ask the Commission if it does not agree that in future the Commission should spend a lot of its time going around the Community. When I say the Commission I include both commissioners and staff, selling their directives, selling their views, and indeed putting over the facts about the Community and countering some of the lies that we are getting, for example from certain quarters in the United Kingdom

**Mr Natali.** — (I) The tasks of the Commission certainly include that of providing objective information on action taken by the Community. We shall try to perform that task and expect to come in for further criticism, as has sometimes been the case in the past.

**Mrs Kellett-Bowman.** — While agreeing entirely with what my honourable friend on my right has said, I would ask further whether the Commission would ensure that all staff of the EEC provide the objective information regarding the immense benefits the EEC confers on the whole world by helping to preserve the peace of the world, preventing a trade war and thus helping to prevent a deepening of the recession and of unemployment, which is bad enough as it is but which, without the EEC, would be totally, utterly and completely intolerable.

*(Applause from the European Democratic Group)*

**Mr Natali.** — (I) I share the views expressed by Mrs Kellett-Bowman and am quite convinced that the situation would be considered intolerable anywhere else than in the Community.

**President.** — Since their subject matter is related, the following two questions may be taken together:

— Question No 10, by Mr Hutton (H-499/80):

When will a new director of forestry be appointed in the Commission?

— Question No 13, by Mr Diana (H-587/80, ex 0-62/80):

1 The Commission of the European Communities

## President

submitted to the Council on 6 December 1978 a communication on the forestry policy in the European Community. A common policy in this sector would have close links with requirements of an industrial nature (supplies by forestry industries), with the agricultural and regional policies, taking account of the fact that many forestry areas and marginal agricultural areas are in poor regions of the Community, and with the policy of the environment because of the role of forests in the conservation of soil, water, flora and fauna.

2. The European Parliament expressed its opinion on these proposals in a resolution of 11 May 1979 in which it emphasized 'the serious and urgent nature of the problems in the forestry sector having regard to the Community's growing timber requirements and its dependence on non-member countries for supplies', approved the proposals and invited the Commission to draw up a genuine common forestry policy.
3. Two years after the Commission's communication to the Council and eighteen months after the approval of the European Parliament's opinion, the situation does not seem to have made any progress, whilst it is apparent that the organization of services dealing with this sector has been weakened by the departure, a long time ago, of the person in charge of the forestry division, who has not yet been replaced.
4. The Commission is therefore asked what initiatives it intends to take:
  - to ensure effective coordination of national forestry policies,
  - to give a new impetus to a Community forestry policy,
  - to make provision to reinforce its secretariat by, *inter alia*, appointing someone to head the Division for Forestry and the Environment.

**Mr Burke, Member of the Commission.** — The honourable Members are aware of the Commission's draft resolution sent to the Council on 6 December 1978 in regard to the objectives and principles of a forestry policy and the creation of a permanent forestry committee. Although a number of initiatives have been taken in coordinating national forestry policies, further progress in this area will depend on the will of the Council to adopt the necessary instruments. Since a common forestry policy was not provided for in Article 43 of the Treaty, a comprehensive policy is only possible if it is decided unanimously by the Council under Article 235 of the Treaty and for this a strong political will of Member States is necessary. There has been some movement in the Council's position, and it is hoped that there will be agreement on this matter in the coming year. There has never been any question of a directorate of forestry but the Commission is currently examining the most effective way of organizing the work of the forestry and environment division in order to make real progress.

**Mr Hutton.** — I feel I really ought to apologize to the Commissioner for having asked him to answer a question which does not properly fall within his terms of reference on his very last occasion with us. But would he not admit that although the post of Director of Forestry has in the past been filled and has been vacant since 28 April, the Commission really has no intention of filling this post in the foreseeable future, because the grade has already been diverted to a post in the Director-General's office, and would he not admit that this shabby act shows perfectly clearly that the Commission really does not take forestry seriously, in spite of the fact that wood is our second most expensive import?

**Mr Burke.** — I can assure the honourable Member, while thanking him for his kindly sentiments on my last occasion here, that the former head of the forestry and environment division has not yet been replaced, and I place the emphasis on 'yet'. Arrangements for his replacement will be made when the current review of organization of the work of the division has been completed. It is hoped that this will be done shortly.

**Mrs Buchan.** — I too would like to share the regret at the departure of Mr Burke. I think it is rather sad, because Brussels can really not afford to lose from the Commission a man of culture and intelligence. There are too few of them around.

I was interested in Mr Hutton's point that the Commission would appear not to take forestry seriously. May I ask the Commission, when it comes to consider forestry, to take issue with the UK Government, which proposes to hand over to private hands the most successful and most longstanding of the public industries of our country and to consider the very severe effect this will have on regional policy in my own country, Scotland, and elsewhere. (Of course, I am not speaking with the voice of the landowners of Scotland: I do admit that they are speaking with it there. I am not being petty, I am being historically accurate.) Can I ask the Commission, therefore, to urge the UK Government not to further aggravate the hardships faced by the regional areas of the UK by handing over to inefficient private hands the great benefits of the publicly-owned forests of Scotland?

**Mr Burke.** — The honourable Member places me in a very grave difficulty, because her remarks about myself personally are so gracious that I feel a difficulty in suggesting that while the Commission is conscious of the need for greater effort in the whole question of forestry provision and related matters, while there is a long history of the projects which we have put before the Council in our resolution of 6 December 1978, while we have pressed continuously over those years to get a policy introduced in the Community, while we

**Burke**

know that various bodies in the Council have these matters before them, it is not possible for the Commission on its own to deliver a policy, the legislative basis for which lies with the other institutions. I could point out to the honourable Members that we have taken quite a number of initiatives here, adopted quite a number of regulations, made quite a number of proposals. If the real will exists to go forward with a policy in this area, I am quite sure that a number of our less-favoured regions can be helped not only environmentally but also regionally, agriculturally and industrially.

In regard to the question put about impressing upon the British Government that they should take a particular line of action, I have to say to the honourable Member that I should have to limit myself to drawing attention to this exchange of views and that it is not usual for the Commission, in a matter of disputed policy in a Member State, to offer its own conclusions in that regard. But I hope that the honourable Member's contribution to this item will be noticed, and further than that I cannot go.

**Mrs Ewing.** — Is it not a matter of great interest for the Community that millions of acres of land suitable for forestry lie fallow when in Europe timber is one of the great import costs? Is that not the problem the Commissioner faces, namely lack of will on the part of the Council, which will not tackle the question of land lying fallow? It is available for sporting and produces a quarter of an ounce of grouse per acre but it could be used for forestry to reduce dependence on imports of timber. Would the Commissioner say that the basic problem is the use of land and the privilege of those who have control over vast tracts of it?

**Mr Burke.** — I would agree that the availability of land in sufficient quantities in suitable areas is necessary for a proper forestry policy. But in view of the decisions already taken in certain areas of the Community, I would think that the line which has been taken by the honourable Member is not totally correct. I do not wish to take up the particular line that she has suggested, but I would say that in areas such as the West of Ireland, some areas of the Mediterranean, some areas of the western part of Scotland are examples of the kind of areas where a good forestry policy would be very suitable.

**Mr Marshall.** — Would the Commissioner not agree that it is somewhat strange that those who under Question 9 were asking for no interference by the Commission in the internal affairs of Member States are busily asking for it 5 minutes later under Question 10? Is the Commissioner aware that what the British Government is proposing is the sale of mature forests so that it can invest in new forests, and that that in fact is in the long-term interest of the British economy?

**Mr Burke.** — I have noted the point made and I do not wish to be involved in answering the second part of the question.

**President.** — Question No 11, by Mr Marshall:

Is the Commission aware that many UK housewives (including the honourable Member's wife) prefer to buy their eggs from farmers who deliver to their own homes and would the Commission accept that the proposed ban on doorstep sales (reported in the *British Farmer and Stockbreeder*, 4/10/80) would be contrary to the wishes of consumers and be yet another interference with the freedom of trade?

**Mr Burke, Member of the Commission.** — The proposal for a directive on contracts negotiated away from business premises, which the Commission submitted to the Council and which is still being discussed, does not provide for a ban on doorstep sales. The proposal suggests that contracts for goods of a value between 15 to 25 units of account as well as products which are delivered by regular roundsmen shall not be affected by the directive. British housewives will therefore continue to be able to purchase their eggs in the way indicated by the honourable Member.

**Mr Marshall.** — Can I congratulate the Commissioner on unearthing this matter, which means that it will be in the encyclopedia of EEC myths, no doubt propagated by some Members of this House, rather than in the digest of Jenkins' follies.

**Mr Burke.** — I always want the true facts about Community policy to be known as widely as possible.

*(Applause from the European Democratic Group)*

**President.** — Question No 12, by Mrs Nielsen:

In the light of the excessively high fares charged by most European airlines on their scheduled flights within the Community, a policy that is highly detrimental to consumers, is the Commission prepared to carry out an inquiry into the relationship between the fares charged on different routes and the costs to the different airlines of providing services on those routes?

**Mr Burke, Member of the Commission.** — The Commission is currently carrying out a study of scheduled air fares in the Community. The study will cover, among other elements, the relationship between fares and operating costs.

**Mrs Nielsen.** — *(DK)* My question to the Commission is no less topical today than it was when I put it in mid-October. In the meantime the European consu-

**Nielsen**

mers' organization has called attention to the unacceptable situation with regard to the excessively high fares on flights within the Community. Not so long ago a representative of British Airways was reported as saying that fares in Western Europe were 25-30 % too high. I really do believe that the British Airways representative knows only too well about the excessive burden we consumers have to bear. I am very glad that the consumers' organization has also taken a stand on this matter.

Whilst I realize that the Commission is carrying out a study, may I ask it to hurry things along, so that something can be done about the situation. After all, we know that we could be flying much more cheaply than we are at the moment. The charter companies have shown that it is perfectly feasible to fly people at prices everyone can afford. Will the Commission take steps to ensure improved competition in air transport — and we are entitled to it under the Treaty of Rome — and will it ensure also that price structures as a whole become simpler and more transparent, in the interests of European consumers?

**Mr Burke.** — Among the advances which have been made in the transport policy over the last four years by the Commission are measures to improve air transport services for the European Community. I would refer the House and the honourable Member to our 1979 memorandum on this question. In that memorandum the Commission felt that it was necessary to ensure a consistent approach towards air transport policy including air fares. We suggested in that memorandum that tariff structures might be revised and simplified while providing for some new fare types. We also suggested a certain opening of market access to introduce a pressure towards greater efficiency leading to lower costs and lower air fares.

Again, the Commission has recently taken a first initiative in this direction by proposing a Community-wide set of rules for inter-regional services. I would refer the House and the honourable Member to my statements on 17 October of this year in the debate on the Hoffmann and Schwartzberg reports.

I have noted with great pleasure the representations made by the consumer organization. I am glad that the consumer organizations have now associated themselves with the policy initiatives of this Commission in trying to get cheaper air services for the Community. Anybody who helps in this regard I would welcome. I think the Commission can be reasonably proud, within the constraints placed upon it, of having made some progress in this area over the last few years.

**Mr Paisley.** — I should like to associate myself with the kind remarks addressed to Commissioner Burke. As an Ulster Unionist. I should like to say that we have always welcomed him to Northern Ireland and his

visits were certainly beneficial to Northern Ireland. I should like to ask him whether in his studies he has taken into careful consideration the fact that British Airways operate a monopoly service from Belfast to London Heathrow, that they no longer supply any lounge service and that there is no cabin service on that flight, yet the fare is £ 86 return, whereas a single ticket to the United States with two good meals provided costs a lot less. Would he, as a parting shot for the honour of Northern Ireland, do something about that?

*(Applause from the European Democratic Group)*

**Mr Burke.** — I wish to reciprocate the kind sentiments of Mr Paisley and to say that with him it has always been a pleasure to cooperate in the Commission's activities in the best interests of Northern Ireland.

With regard to the particular question he raised, that can best be solved in the context of the overall policy which we have been putting forward over the last few years. At the moment we are looking specifically at the level of fares and destinations. I am quite sure that my successor in this office will take the point made by the honourable Member and make sure that that region — Belfast and London — will be looked after in any further developments suggested. If I might draw the honourable Members' attention to the previous debates here they will see a very extensive outline of our policy. I thank them for their kind remarks.

**Mr Hord.** — Would the Commission agree that the cartels applied by European Community national air carriers directly contravene the competition provisions of the Treaty?

If so, why has there been no real and effective action by the Commission on this very important matter?

**Mr Burke.** — The case has not been proved. I would draw the honourable Member's attention again to the debate where I outlined the difficulties arising in this regard. The matter is being studied, but it is not just an open and shut case. As somebody with a legal background I would have to say that the case still remains to be proved.

**Mr Enright.** — May I also express my genuine regret that Commissioner Burke is leaving. I have been able to appreciate some of his abilities in the Committee on Transport and I know very well that he took over transport, which was basically in terms of policy a bog, and there is a considerable amount of reclaimed land as a result of what he has done, and I thank him for that.

**Enright**

Would he now, as his final gesture, please assure us first of all that the Commission will keep a sharp eye on private buccaneers who are merely able to make profits and put nothing into the social services that are required for the regions? Some of us actually live outside London and therefore require a service from British Airways which it is not always able to give because the private buccaneers have taken away the profitable routes. Secondly that it will not in any way move from its position of looking to safety first, which is also very much a consumer interest and in which British Airways has had conspicuous success? And finally, always remember the regions, not just Belfast and London, so that it might be possible some day to get from Leeds, Bradford, to Brussels?

**Mr Burke.** — Again I thank the honourable Member for his kind remarks.

In regard to the first part of his supplementary, I would have to say that as I see it, and I think the Commission would back this policy, there is a future both for publicly-owned airlines and for private initiative. The question is to get the proper set of rules and balance between them.

Secondly, I would point out that our whole thrust of policy has been in the area of innovation. We must do this in a controlled way, and again I draw the attention of honourable Members to the memorandum which I have produced and the suggestions I have made to the Council. This brings me to the third part of the supplementary: we have, in fact, put in hand in the last few months a policy on inter-regional scheduled services, which could go a long way towards meeting the point raised by the honourable Member in the third part of his supplementary.

**Mr Galland.** — (*F*) Does the Commissioner not think that we are in an altogether paradoxical situation because, as Mrs Nielsen has quite rightly said, we are faced on the one hand with excessively high fares and on the other with an extremely disturbing financial situation of most national airlines in the Community, some of them even being in a disastrous situation? Does the Commissioner not think that it will be impossible to strike a balance between the national airlines and the private companies as long as the former are required to serve certain airports at a deficit for reasons of regional policy. Does the Commissioner not think that a choice must be made: either to provide a public service to all the regions of the Community with the resulting repercussions on fares as is at present the case or to allow the free play of competition to the detriment of services to certain parts of the Community which are operated at a heavy loss to the companies concerned?

**Mr Burke.** — The choice before the Community at the start of the debate on air transport policy was whether or not we should follow the general lines of the United States' D Regulation. The thrust of our policy has been to try and find a balance between total liberalization of the market and a continuation of the status quo. It is not possible at this stage to say where the pendulum will finally come to rest, but I think that we have tried to find the proper balance between public service and freedom to provide services and I hope that this policy will in fact succeed over the next few years.

**President.** — At the author's request Question No 14 will be held over until the next part-session.

Question No 15, by Mr Christopher Jackson (H-535/80):

Is the A 249 from the M2 to Sheerness included in the Community list of 'bottlenecks' for which aid is envisaged and, if not, in the view of the Commission is improvement of the A 249 a project which appears to satisfy the conditions envisaged for the Community infrastructure aid and/or for the use of monies from the UK 'supplementary measures'?

**Mr Burke, Member of the Commission.** — The A 249 was not mentioned in the bottlenecks report. The road network used for this report was based on the network of European arteries designated by the United Nations Economic Commission for Europe. The A 249 does not form part of this network.

The possibility of Community financial assistance for a project under the proposed regulation on financial aid for transport infrastructure is in no way affected by the existence of the bottlenecks identified in the report. The economic criteria for granting financial assistance under the proposed regulation for transport infrastructure will be the subject of a report to the Council of Ministers early next year.

The United Kingdom supplementary measures programme is undertaken in accordance with Regulation (EEC) 2744/80. Proposals by the United Kingdom for Community assistance for the trunk-road programme have been received. Included in the programme are certain works on the A 249. These proposals are currently being examined by the Commission.

**Mr Christopher Jackson.** — As this is, sadly, the last occasion on which I shall have the pleasure of questioning Mr Burke as Transport Commissioner, may I ask him whether, in the light of his experience and knowledge of Community transport matters and in view of the apparent conflict between Community priorities and national priorities, he feels more or less strongly about the importance or necessity of the



**Christopher Jackson**

transport infrastructure plan and financial instruments for which he has worked so hard and whether this is not a plan that is most likely to help frontier bottleneck problems such as the A 249?

**Mr Burke.** — I wish to thank the honourable Member for his kind remarks. I would say that my conviction has been strengthened in regard to the importance of an infrastructure policy for Europe. It has to some extent been an uphill battle, but I think that the importance of the policy is now established. I was pleased to see that certain committees of this Parliament put forward a proposal for some millions of units of account in order to give a start to the policy for infrastructure development.

I would have hoped — sadly it will not happen now — that during my term of office the Council of Ministers would have put into effect and into legislation this most important Community policy. The procedure under that policy for the submission of applications has been set out in the draft regulation which is before the House and in fact before the Council for the last few years. The responsibility for submission of projects rests with the authorities of the Member States where a project is located. I should like to draw attention to this important point. Although Member States alone may submit schemes, this does not imply that the Member States themselves have to undertake them. Both public and private promoters can be involved. This is provided for under Article 6 of our proposals. In the event therefore that regional authorities consider that infrastructure projects in their area could be of Community interest they should take the necessary steps to ensure that the central government is made aware of the projects and submits them to the Commission. I would like to draw attention to the fact that I have personally visited, at the request of Mr Jackson, the A 249 and I consider that it should figure very high on the list of priorities for future works, and I wish it the very best of success.

**President.** — May I say to you, Mr Burke, since that is the last question you will be answering in Question Time that it has always been a pleasure for me when presiding at Question Time to hear your English voice, which makes it very much easier for the person

presiding, and that it is very nice to hear your national accent. It is always nice to hear English spoken with a nice accent. May I thank you for your courtesy and your conciseness in Question Time and may I personally and on behalf of the Members wish you all success in the future and very good health.

*(Applause)*

**Mr Burke.** — Mr President, I regard this unusual expression of the views of Parliament, as summed up so graciously by you, as a recompense for my efforts over the last few years to serve the European Community. I was responsible for relations with the Parliament for two and a half years of my mandate. I am glad to see the Parliament developing so well, and I thank you and all the Members of the House for their kind expression of good will. Who knows what the future may hold? One of the possibilities is that I might be back among you. If so, I will look back on this period with great pleasure. Thank you once again.

*(Applause)*

**President.** — The first part of Question Time is closed.<sup>1</sup>

*27. Agenda for next sitting*

**President.** — The next sitting will be held tomorrow, Tuesday, 16 December 1980, at 9 a.m. and 3 p.m. with the following agenda:

- Decision on several requests for urgent debate
- Joint debate on the Adonnino and Ansquer reports on the draft general budget of the European Communities for 1981 as amended by the Council, and on the earthquake in Italy
- Hoff report on the fixing of the rate of the ECSC levies
- 3 p.m.: Voting time
- 6.30 p.m.: Vote on items concerning the earthquake in Italy

The sitting is closed.

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

<sup>1</sup> See Annex to Report of Proceedings of Wednesday, 17 December 1980.

## ANNEX

*Commission action on opinions delivered by the European Parliament  
at its November 1980 part-session*

1. As agreed with the Bureau of Parliament, the Commission informs Members at the beginning of every part-session as part of the consultation arrangements of the action it has taken on opinions delivered at the previous part-session.

2. At its November part-session the European Parliament delivered 13 opinions on Commission proposals in response to Council requests for consultation.

3. At that part-session Parliament discussed 11 reports, and delivered favourable opinions or did not request formal amendment in the case of the proposals mentioned below:

report by Mr Moreau on the proposal for a draft decision on the adoption of the annual report on the economic situation and setting guidelines for 1981;

report by Mr Wawrzik on

- the recommendation concerning the ACP/EEC Convention,
- the proposal for a decision concerning the association of OCT;

report by Mrs Cresson on the proposal concerning fishing within the 200-mile zone off the coast of the French department of Guiana by vessels flying the flags of certain third countries,

report by Miss Quin on the regulation on the import of New Zealand butter into the Community on special terms;

report by Mr Colleselli on the decision on restructuring the system of farm surveys in Italy;

report by Mrs Rabbethce on the regulation laying down general rules on the supply as food aid of products other than cereals, skimmed milk powder and butter oil to certain developing countries and specialized agencies,

report by Mr Moreland on the regulation amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by road between Member States;

report by Mr Key on the directive concerning harmonized implementation of the International Convention for Safe Containers (CSC) in the European Economic Community;

proposal on the approximation of the laws of the Member States concerning the preservatives, authorized for use in foodstuffs intended for human consumption;

proposal for a directive amending for the third time Directive 70/357/EEC on the approximation of the laws of the Member States concerning the antioxidants authorized for use in foodstuffs intended for human consumption;

proposals for:

- a decision on acceptance by the Community of the draft resolution of the European Conference of Ministers of Transport on the introduction of an ECMT-international removals authorization,
- a directive amending the First Directive laying down common rules for the carriage of certain goods by road between Member States,
- a directive amending Directive 65/269/EEC concerning the standardization of certain rules relating to authorizations for the carriage of goods by road between Member States.

4. The European Parliament asked the Commission to amend its proposals under the second paragraph of Article 149, and adopted proposals for amendments in two cases:

*report by Mr Schmid on the proposal concerning a multiannual Community research and development programme in the field of biomolecular engineering*

report by Mr Kirk on

- the regulation setting total allowable catches for fish stocks.
- the regulation allocating total allowable catches among the Member States

During the discussions the Commission explained why it wished to maintain its proposals.

5. The Commission took the opportunity to tell Parliament what aid it had granted to disaster victims since the previous part-session

(a) *Italian earthquake*

During the night of 23 November an earthquake devastated a number of provinces in the South of Italy. On 24 November the Commission utilized the remaining Chapter 59 appropriations to grant 1 500 000 m EUA in immediate aid to the victims and this was paid out on 27 November. The Commission also decided to make 15 000 t of cereals, 1 900 t of meat and 1 000 t of olive oil immediately available to the Italian authorities.

On 27 November the Commission set up a select group of Members of the Commission on the President's authority to work out and coordinate the Community emergency aid programme.

At its meeting on 1 and 2 December the European Council requested the Council to adopt forthwith, on a proposal from the Commission and in the framework of the normal budget procedure, in addition to the emergency aid, exceptional aid measures designed to provide a real contribution, notably by means of a loan with an interest rebate, to the programme for the reconstruction of the areas affected so as to mitigate the effects of the disaster on the economic and social situation in these regions, and to ensure that the measures are implemented as soon as possible.

On 3 December 1980 the Commission proposed a preliminary draft supplementary budget for 1980 giving Chapter 59, 'Aid to disaster victims in the Community', a further 40 m EUA. The Council is expected to take a decision at its meeting on 12 December and the matter will be put before the European Parliament at its December part-session.

On 3 December also, the Commission, which considered that a Community loan of up to 1 thousand million EUA could provide a significant contribution, decided to present a letter of amendment to the 1981 preliminary draft budget.

As soon as the Council has taken a decision the matter will be put before the European Parliament forthwith.

(b) *Financial aid*

The Central African Republic, where there is famine in a number of regions, has been granted 150 000 EUA.

1 m EUA has been earmarked to combat cattle plague in West Africa.

1 m EUA has been made available to Algeria as supplementary aid for the victims of the El Asnam earthquake.

150 000 EUA has been made available to Montserrat for victims of the hurricane Allen.

20 m EUA has been made available to the victims of events in Cambodia.

(c) *Emergency food aid*

The Commission has proposed to the Council that 250 t of skimmed milk powder be made available to Angola and has decided to grant 23 000 t of cereals as aid to drought-stricken regions of East Africa.

6. The Parliament also expressed its views on the report by Mr Notenboom on the draft first supplementary and amending budget for 1980.

7. The Commission made known its position during discussions involving it and took note of the European Parliament's opinions on the

report by Mr Hahn on the possibility of 1985 being made 'European Year for Music';

report by Mrs Baduel-Glorioso on the closing of the Consett steel-works;

report by Mr Martinet on EEC-United States steel relations;

report by Mrs van Alemann on the siting of nuclear power stations in border areas;

report by Mr Ferri on the Commission's action on the opinion delivered by the European Parliament on the proposal for a directive concerning the right of residence of Member State nationals in the territory of another Member State;

resolution on the future of Eurocontrol;

resolution on the seat of the European Parliament;

two resolutions on Community oil supplies from the Middle East;

report by Mr Sable on the outcome of the deliberations of the Joint Committee and the ACP/EEC Consultative Assembly,

report by Mr Clinton on the common fishery policy;

resolution on Mediterranean fishing;

resolution on the abolition of the death penalty in the European Community;

resolution on Uganda;

resolution on the Soviet authorities' treatment of a number of women working for the abolition of various forms of discrimination between men and women in the USSR;

resolution on the referendum in Uruguay.

## SITTING OF TUESDAY, 16 DECEMBER 1980

1. Documents received . . . . .	44	<i>Mr Patterson; Mr Galland; Mr Van Minnen; Mr Herman; Mr De Pasquale: draftsmen of opinions . . . . .</i>	64
2. Decision on urgency: <i>Mr Scott-Hopkins; Mr Früh . . . . .</i>	44	<i>Mr Pedini, chairman of the Committee on Youth, Culture, Education, Information and Sport . . . . .</i>	67
3. Agenda: <i>Mr Dankert; Mr Lange; Mr Scott-Hopkins; Mr Lange; Mr Klepsch . . . . .</i>	45	<i>Mrs Castellina, draftsman of an opinion . . . . .</i>	68
4. General budget of the European Communities for the financial year 1981 — Earthquake in Italy — Reports: <i>by Mr Adonnino (Committee on Budgets) (Doc. 1-670/80), by Mr Ansquer (Committee on Budgets) (Doc. 1-708/80), by Mr Dankert (Committee on Budgets) (Doc. 1-731/80), by Mr de Ferranti (Committee on Economic and Monetary Affairs) (Doc. 1-699/80); Motions for resolutions by Mr Antoniozzi and others (Doc. 1-622/80), by Mr Vitali and others (COM) (Doc. 1-634/80), by Mr De Pasquale and others (Doc. 1-681/80), by Mr Pininfarina and others (L) (Doc. 1-712/80), by Mr de la Malène and others (EPD) (Doc. 1-713/80), by Mr Ruffolo and others (Doc. 1-721/80), by Mr Klepsch and others (EPP) (Doc. 1-723/80), by Mr Prag and others (ED), and by Mr Beyer de Ryke and others (Doc. 1-724/80) and by Mr Peters and others (Committee on Social Affairs and Employment) (Doc. 1-726/80):</i>	46	<i>Mr Antoniozzi; Mr Vitali; Mrs Agnelli; Mr Ruffolo; Mr Fanton; Mr Prag: rapporteurs . . . . .</i>	68
<i>Mr Adonnino; Mr Ansquer, rapporteurs . . . . .</i>	46	<i>Mr Dankert; Mr K. Schön . . . . .</i>	73
<i>Mr Doublet, draftsman of an opinion . . . . .</i>	51	5. Approval of minutes . . . . .	75
<i>Mr Dankert; Mr de Ferranti, rapporteurs . . . . .</i>	52	6. Votes:	
<i>Mr Lange; Mr Adonnino; Mr Santer (Council); Mr Tugendhat (Commission) . . . . .</i>	56	• <i>Gatto report (Doc. 1-688/80): Agricultural provisions of the Act of Accession of Greece to the Communities: Mr Ligios . . . . .</i>	76
		<i>Adoption of resolution . . . . .</i>	76
		• <i>Dankert report (Doc. 1-703/80): Compensation for the Greek contribution to financial costs: Adoption of resolution . . . . .</i>	76
		• <i>Battersby report (Doc. 1-166/80): Special Committee of Inquiry concerning the EAGGF: Mr J. M. Taylor . . . . .</i>	76
		<i>Points of order: Sir Peter Vanneck; Mr Baillot . . . . .</i>	76
		<i>Adoption of resolution . . . . .</i>	77
		• <i>Cronin report (Doc. 1-610/80): Regulation establishing a European Regional Development Fund: Mr Cronin, rapporteur . . . . .</i>	77
		<i>Mrs Hammerich; Sir Peter Vanneck . . . . .</i>	77
		<i>Adoption of resolution . . . . .</i>	77
		7. General budget of the European Communities for the financial year 1981 — Earthquake in Italy (continuation): <i>Mr J. M. Taylor; Mr Spinelli; Mrs Scrivener; Mr Ansquer; Mrs Macciocchi; Mr von der</i>	

<i>Vring; Mr De Goede; Mr Arndt, Mr Notenboom; Mr Forth</i> . . . . .	77	<i>Bonde; Mr Almirante; Mr Megahy; Mr Battersby; Mr Nielsen; Mrs Castellina; Mr Motchane; Mr Barbi; Mr Fich; Mr Spencer</i>	88
<i>Point of order: Mrs Kellett-Bowman</i> . . . . .	88	8. <i>Agenda</i> . . . . .	107
<i>Mr Forth; Mr Baillot; Mr Nord; Mr Doublet; Mr Capanna; Mrs Spaak; Mr Colla; Mr Tindemans; Mr Ligios; Mrs Boserup; Mr R. Jackson; Mr Rossi; Mr Ansquer; Mr</i>		9. <i>Urgent procedure</i> . . . . .	107
		10. <i>Agenda for next sitting</i> . . . . .	108

IN THE CHAIR: MRS VEIL

*President*

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

**President.** — The sitting is open.

1. *Documents received*

**President.** — I have received various documents, a list of which is contained in the minutes.

2. *Decision on urgency*

**President.** — The next item is the decision on the urgency of five proposals from the Commission.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Madam President, I would only point out to you that none of the documents on the proposals from the Commission, either on the fishery regulations or on isoglucose, are available. As the documents are not available, standing orders lay down quite clearly that no further proceedings on that matter can take place. Therefore, Madam, I beg to move that we move straight on to the next item on the agenda.

**President.** — You are quite right, Mr Scott-Hopkins. We shall vote on these requests for urgent procedure tomorrow morning, provided the documents are available.

I call Mr Früh.

**Mr Früh.** — (D) Madam President, you have postponed the decision on these requests for urgent debates until tomorrow. They are all requests relating principally or exclusively to agriculture. I am now speaking on behalf of the Committee on Agriculture, because its chairman, Sir Henry Plumb, has had to return to his own country today. I should like to point out that these requests for urgent debate were before the Committee on Agriculture at its last meeting on 4/5 December. We were not able to discuss them at the time, because the necessary documents were not available, let alone translations into all the languages. There has been little change in this situation since then.

The Committee on Agriculture noted at its last meeting that it finds it virtually impossible to get through such things at rapidly convened *ad hoc* meetings during the part-sessions. We did have almost all the members together yesterday evening for a different occasion. Even if the situation should change by tomorrow — and we will undoubtedly not have all the documents by that time — I would ask you to refrain from putting these matters on the agenda, because in the circumstances it will simply not be possible to discuss so urgent and important matters in an appropriate manner.

*(Applause)*

**President.** — Mr Früh, the proper time to comment on whether urgent procedure should be adopted or not is tomorrow morning. The chairman of the Committee on Agriculture who will be back tomorrow — I saw him yesterday and we discussed these matters — will present his views and Parliament will be able to decide on urgency with full knowledge of the facts.

3. *Agenda*

**President.** — I call Mr Dankert.

**Mr Dankert.** — (F) Madam President, the vote on draft amending and supplementary budget No 2 for the financial year 1980 is scheduled to take place at 6.30 p.m. today. Now, as the Committee on Budgets has not yet completed its work on this subject, the amendments are still in the process of being drawn up so that the political groups have been unable to meet the deadlines. Besides, the discussions within the committee show that it is not absolutely essential for the vote on supplementary budget No 2 to be taken today; it could just as easily take place on Thursday.

**President.** — I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.** — Madam President, to Mr Dankert's remarks it should be added that the supplementary budget and the 1981 budget and also the ECSC budget are this time so closely related that the votes must take place at practically the same time. It should also be borne in mind that tomorrow morning the Council and Parliament will be having another conciliation meeting, which concerns not only the 1981 budget but also the 1980 supplementary budget. That, Madam President, would therefore be an additional reason for requesting that the vote be taken on Thursday morning rather than today.

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

**Mr Scott-Hopkins.** — Madam President, I very rarely cross swords with the chairman of the Committee on Budgets, but it seems to me that in this particular case we are liable to get ourselves into a mess. As I understand it, the first reading and vote on the supplementary budget have to take place today so that the second reading can take place after the negotiations with the Council tomorrow. If we do not have a first reading then we are really in trouble, since we cannot have a second reading at the same time.

I know that Mr Dankert and Mr Lange are experts in this matter while I am not, but I do not want anything to go wrong in this House by missing out on the first reading and vote which, as far as I can understand, should take place before the second reading on Thursday. I therefore hope that the House will not accept what Mr Dankert has said.

**President.** — I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.** — (D) Madam President, I hope I can set Mr Scott-Hopkins' mind at rest. As far as we can see and if certain informal contacts are made between us and the Presidency of the Council, there will be no difficulties in this connection. We shall not be treading difficult

ground and, as you know, Mr Scott-Hopkins, we take very great care not to set any traps into which we might ourselves walk. I feel we should have that much confidence in each other, otherwise we shall take decisions which we shall simply not be able to justify tomorrow at the conciliation meeting in view of the conditions we have negotiated with the Presidency of the Council in the unofficial talks, since it was explicitly agreed that we should decide on these three matters together. As things now stand, it is quite possible that one reading will be enough.

**President.** — I call Mr Klepsch to speak on behalf of the Group of the European People's Party (CD Group).

**Mr Klepsch.** — (D) Madam President, it was pointed out that the political groups will hardly be able to adopt their positions by this evening. I therefore feel we should perhaps choose the course of settling everything in one reading. I quite sympathize with what Mr Scott-Hopkins has said, but I believe that in the present circumstances we should opt for this joint consideration on Thursday.

**President.** — I put to the vote Mr Dankert's proposal to enter on Thursday's agenda, within the framework of the vote on the budget which has already been scheduled, the vote on Draft Amending and Supplementary Budget No 2 and on the motion for a resolution contained in the Dankert report.

*(Parliament adopted the proposal)*

We must clearly try to obviate the need for a second reading since we shall certainly not have a quorum on Friday.

#### 4. *General budget of the European Communities for the financial year 1981 — Earthquake in Italy*

**President.** — The next item is the joint debate on the following items:

- Report by Mr Adonnino, on behalf of the Committee on Budgets, on the draft general budget of the European Communities for 1981 Section III — Commission — modified by the Council (Doc. 1-670/80);
- Report by Mr Ansquer, on behalf of the Committee on Budgets, on the outcome of the Council's deliberations on the amendments adopted by the European Parliament to
  - Section I 'Parliament'
  - Section II 'Council'
  - Annex 1 to Section II 'Economic and Social Committee'
  - Section IV 'Court of Justice'
  - Section V 'Court of Auditors'

## President

- of the draft general budget of the European Communities for 1981 (Doc 1-708/80);
- Report by Mr Dankert, on behalf of the Committee on Budgets, on Draft Amending and Supplementary Budget No 2 of the European Communities for 1980 (Doc. 1-731/80);
  - Report by Mr de Ferranti, on behalf of the Committee on Economic and Monetary Affairs, on a proposal from the Commission of the European Communities to the Council for a regulation on interest subsidies on certain loans granted within the context of special Community aid for the reconstruction of the areas devastated by the earthquake in Italy in November 1980 (Doc. 1-699/80);
  - Motion for a resolution by Mr Antoniozzi and others, on Community aid to areas of southern Italy stricken by earthquake (Doc. 1-622/80);
  - Motion for a resolution by Mr Vitale and others, on behalf of the Communist and Allies Group, on the earthquake in southern Italy (Doc. 1-634/80);
  - Motion for a resolution by Mr De Pasquale and others, on aid to the regions of Italy affected by the earthquakes (Doc. 1-681/80);
  - Motion for a resolution by Mr Pinnifarina and others, on behalf of the Liberal and Democratic Group, on the earthquakes in the south of Italy (Doc. 1-712/80);
  - Motion for a resolution by Mr de la Malène and others, on behalf of the Group of the European Progressive Democrats, on the earthquake in southern Italy (Doc. 1-713/80);
  - Motion for a resolution by Mr Ruffolo and others, on the earthquake in southern Italy (Doc. 1-721/80);
  - Motion for a resolution by Mr Klepsch and others, on behalf of the Group of the European People's Party (CD Group), on intervention by the Commission of the EEC to help the victims of the earthquake (Doc. 1-723/80);
  - Motion for a resolution by Mr Prag and others, on behalf of the European Democratic Group, and Mr Beyer de Ryke, Mr Calvez, Mr Michel, Mr Cecovini, Mr Pöttering, Mr Bocklet, Mr Dalsass and Mrs Cassanmagnago Cerretti, on the earthquake in Italy (Doc. 1-724/80);
  - Motion for a resolution by Mr Peters and others, on behalf of the Committee on Social Affairs and Employment, on financial aid from the Community for the Italian regions devastated by the recent earthquake (Doc 1-726/80).

I call Mr Adonnino.

**Mr Adonnino, rapporteur.** — (I) Madam President, Mr Representative of the Council, ladies and gentlemen, we have nearly concluded the budgetary procedure for the 1981 financial year.

I believe it should be emphasized that, in the course of this procedure Parliament has acted with exceptional

consistency, following the approach adopted with last year's vote and firmly adhered to in the current year. It should be mentioned that the second reading presents some striking new elements, but these in no way alter the attitudes already fully expressed by the Parliament in the resolution of 6 November 1980, with regard to the 1981 budget.

What are these new elements which we must evaluate today, and which must be taken into account when we vote next Thursday? Firstly, there is the Council's decision of 24 November 1980, modifying the draft budget on the second reading; secondly, the second letter of amendment, dated 19 November 1980, authorizing the anticipation on the 1980 budget of a 119 million EUA repayment to the United Kingdom, as stipulated in the relevant agreements, and therefore the deduction of a corresponding amount from the 1981 budget; thirdly, a more recent letter of amendment presented in the last few days concerning special aid to Italy after the great earthquake. Such aid will obviously affect the 1981 budget and should therefore be entered on an appropriate line of credit. Finally, there is the element mentioned a moment ago in connection with the order and scheduling of the vote: that is Amending and Supplementary Budget No 2 for 1980, which, since it includes some items capable of influencing the position of the budget any authority for the 1981 budget, is closely related to today's discussion. This is also the reason I supported the request that this 1980 supplementary budget and the 1981 budget be voted on together next Thursday.

I must remind you, in regard to these new elements we must now consider, that, by means of transfers of appropriations, it was possible to put another quota of repayments to the United Kingdom on the 1980 budget. This will be accompanied by a corresponding reduction in the 1981 budget, in order to avoid a double appropriation.

Having stressed these new elements, which have arisen in the interval between the parliamentary debates in November and the present second reading, I would also like to say that the decisions made by the Committee on Budgets up to this point, especially those made last week in Brussels, are not final. They are still open to modification in the course of the negotiations now in progress between the Parliament and the Council, and for this reason the Committee on Budgets will not decide on the proposals it will put to the Assembly until it meets tomorrow evening, just before next Thursday's vote.

This having been said, I would like to return to the close relationship I pointed out earlier between the supplementary 1980 budget No 2 and the 1981 budget. This relationship is derived from a principle Parliament has stressed many times, to the effect that the attainment of a balanced development of our policies and activities depends upon an equally balanced



## Adonnino

relationship between commitment appropriations and payment appropriations.

Parliament made significant efforts in this direction during the first reading of the 1981 budget, but it does not appear that the Council has succeeded in doing the same, especially if we consider that for two very important items, the Social Fund and the Regional Fund, the payment appropriations stipulated by the Council for the 1981 budget are not sufficient to cover the payment quotas for commitments authorized by the Council itself for the 1981 financial year. This, therefore, is one of the problems we must solve now, in these last hours before the final vote. Perhaps the solution lies in the 1980 supplementary budget No 2, and this makes the connection between the two budgets clearer.

The Committee on Budgets is convinced that this balance between commitment appropriations and payment appropriations can be achieved even with the limited resources available to us for 1981, while at the same time strictly maintaining the priorities already established by Parliament. I would like to quote some statistics, with particular reference to non-compulsory expenditure, even though I must now mention that there are some points of contention between Parliament and the Council regarding classification.

Even taking into account the considerable reductions which were approved, the European Parliament's overall decision made on 6 November 1980 favored an increase of 992.33 million EUA for commitment appropriations and an increase of 769.77 million EUA for payment appropriations in respect to the draft budget. On 24 November the Council, still working on the basis of the draft budget which it had presented to this Assembly, fixed on a commitment appropriation increase of 281 million EUA and a payment appropriation increase of 183 million EUA.

I would like to point out immediately that, as far as commitment appropriations are concerned, the Council remained within the limits of the normal increase allowed in the Treaty regulations for non-compulsory expenditure. For payment appropriations, on the other hand, the 183 million arrived at by the Council represents 50 million EUA more than would normally derive from the standard increase rate. This is why the Council has proposed to Parliament that a new rate be established, as provided for in Article 203 of the Treaty.

I must emphasize that this attitude, here evident for the first time, undoubtedly constitutes a positive, though modest, achievement on the part of the Council.

Parliament's Committee on Budgets, when it met last week in Brussels from 9 to 11 December, decided on further increases of 239.84 million EUA for commitment appropriations and 215.74 million EUA for

payment appropriations. It also decided to reinstate a series of amendments which contribute to the clarity of the budgetary approach without affecting the amount of expenditure and therefore without financial consequences.

It must be stressed — and I hope that the Council will recognize this as we have recognized some of the Council's positions — that these conclusions reached by the Committee on Budgets, which, as I have said before, are not definitive, are the fruits of a rigorous analysis by the committee and therefore also by Parliament. The aim of this analysis was to identify very precisely certain necessary and priority expenditure, insofar as it is compatible with commitments for payment and with present available resources.

I must remind you that on 6 November 1980, Parliament proposed a modification of the budget, calling for a 2 % reduction across the board in the items for the EAGGF Guarantee Section. The funds thus obtained were to constitute a reserve under Titles 6 and 7, to be used for needs arising in the course of the 1981 financial year, especially for the first, already foreseeable need to meet agricultural price increases for the 1981/82 agricultural year. Parliament also requested a 50 million EUA reduction in aid for powdered skimmed milk. Both these proposals of amendment presented by the Parliament were accepted by the Council.

Both proposals affect compulsory expenditure, and thus they have become definitive in consequence of the position adopted by the Council. I would like to emphasize here that this fact is extremely significant, whether seen from the budgetary or from the institutional point of view, as part of the relationship between the two arms of the single budget authority.

In its resolution of 6 November 1980, the European Parliament decided to reject increases in agricultural expenditure for 1981, with the intention of carrying forward, particularly within the Guarantee Fund itself, the needs arising during the financial year. These and other principles will be raised again in the resolution to be voted on Thursday. It is again specified in the resolution that, as far as agricultural prices are concerned, new expenditures — that is, increases arising from the fixing of new prices and in particular those arising out of the normal evolution of agricultural expenditure in 1981 — would be financed with savings in the EAGGF Guarantee Section.

I should like to stress once again that, in completing this piece of budgetary engineering with the 2 % reduction of expenditure in the EAGGF Guarantee Section and the establishing of the reserve, we have still not completed our task. Parliament also calls upon the Commission for proposals aimed at rebalancing agricultural policy as a whole, so that the resultant savings can be added to the first to contribute towards a true solution of the basic problems known to all of

### Adonnino

us. These problems particularly involve sectors with structural production surpluses and must therefore be solved by means of regulation and not merely by budgetary provisions.

Ladies and gentlemen, Parliament had established precise priorities, particularly in regard to energy, developmental cooperation, and the Social and Regional Funds. We have noted with satisfaction that the Council has agreed to confirm these priorities. It is certain however that agreement on the goals to be reached does not also mean agreement on the means to be employed in the process.

The Council has accepted some of Parliament's proposed amendments increasing appropriations for several items concerning the energy sector. It has also agreed to enter certain lines of credit in the budget, though some are only token entries and others have a small reserve under Chapter 100. This is a very positive sign, since it shows an intention to continue moving in this direction. We hold nevertheless that these steps taken are still inadequate in view of the importance of the issues involved, and we wish to call the attention of the House to the fact that the European Council in Luxembourg recently reconfirmed the priorities established by the European Council in Venice concerning the importance of the energy sector, stressing once again to the Community and its Member States the need to establish and pursue a complete overall energy policy. For this reason the Committee on Budgets decided to reinstate some of the items which the Council did not accept, with particular insistence on several of them, to be further defined on conciliation with the Council.

Another very important sector is that of development cooperation. We have several times asserted that its importance is of a varied but global nature. It is politically important, since it bears witness to the presence of the European Community in different parts of the world to an awareness of existing problems and a consequent desire to make a concrete contribution towards their solution. It also has great importance from a humanitarian viewpoint. We know of the great suffering experienced daily in many parts of the world due to shortages of food, and feel it a duty to intervene in favour of these most in need.

In this area of development cooperation, the Parliament wishes to make its presence felt, to reinstate the proposals made, having noted with regret that the Council did not feel itself obliged to accept any amendments concerning aid to non-associated developing countries.

There is a question of classification involved here: the Council holds that, since the expenditure in question is compulsory, the final decision rests with it. Parliament has always stressed that action of this type can only be considered as non-compulsory, and, while awaiting the next conciliation session with the Council, hopes

that this formal problem of classification will not jeopardize Community actions of great political and humanitarian importance.

Another problem, which I have already mentioned, concerns the Social and Regional Funds. Parliament must take note of the fact that even with the considerable increases accepted by the Council at the second reading, the appropriations are still not sufficient to meet the payments for 1981 in regard to the commitment appropriations determined by the Council itself. We will also try to resolve this question as well which involves the 1980 budget, as I have already mentioned. For this reason I am pleased with the decision made by this Assembly to vote on the general budget together with the amending and supplementary budget, since the interconnections between the two can only be perceived if they are regarded from a single logical viewpoint.

There remains the important problem of the ECSC. The position is this: Parliament requested the inclusion in the budget of an amount earmarked for ECSC social programs, calling for a debit on the Community budget in favour of the ECSC budget. The Council agreed to enter the line of credit — though only as a token entry and with strict reservations — pending its final decision to be made today or tomorrow. The Committee on Budgets could be more precise on this point as well and refer it to the House at the beginning of Thursday's vote, although I can restate the Parliament's position on the issue as of now. This position is oriented towards obtaining an entry for these appropriations and towards the implementation of the programs involved, whose worth, as we know, has not been questioned by the participating countries. The issue is whether such action should be charged to the various Member States or whether it should be Community in nature and thus represented on the Community budget.

Parliament has several times expressed the opinion that such programs are to be considered as areas for Community action. Parliament continues to hold this view and hopes that in the course of its meetings with the Council this point can be clarified before Thursday's vote.

We have also, ladies and gentlemen, reinstated some amendments concerning the staff of the Community, including proposals for the creation of additional permanent posts and for the reclassification of other posts, aimed particularly at improving mobility for Community officials, whose careers have been stalled for several years. We must state frankly that in so doing we were motivated by our inability to accept the reason given by the Council for rejecting this proposal, which was that it would be in opposition to the conclusions and objectives laid down in the Spirenburg report. We believe the exact opposite: we are convinced that, in reclassifying these posts and

## Adonnino

providing career mobility for the Community staff, we will attain the objectives mentioned in the Spirenborg report. This is why we have presented the proposals again.

There are some basic problems, designated at the first reading as budgetary mechanisms and principles, which we have already discussed, and I don't want to go into them again at this point.

I only wish to say that meaningful discussions are now under way and that some new avenues have been opened up, even though all the problems have certainly not been solved for the current financial year.

The resolution calls on the Council to reopen these discussions, even outside the budgetary procedure early next year with a view to dealing with them more calmly and without the pressures arising directly from the allocation of sums of money which make discussion difficult.

I believe, however, that we should take special note of the positive attitude evidenced by the Council which has permitted several lines of credit to be entered in the budget even though there are as yet no regulations concerning them. It appears that the difficulty referred to as the problem of the legal basis, which at one point was put forward as an insurmountable obstacle, is being brought to a positive solution.

The Council decided that it could proceed to issue a regulation in the course of the financial year in the near future. Your rapporteur feels that to open lines of credit in the budget without pertinent regulations is to feel one's way in the dark. The budget authority, in its two component parts, should make an evaluation of these regulations and decide during the year upon the action to be taken.

Ladies and gentlemen, Parliament reaffirms in its resolution some of its principles regarding the basic problem of compulsory and non-compulsory expenditure, for until now these problems remained filed away in the working documents of the committees and were never openly debated in the Assembly. We propose, therefore, as an affirmation of principle with which to confront the Council, that for the Parliament the supplementary measures for the United Kingdom and for the EAGGF Guidance Section, food aid, and financial cooperation with third countries are to be considered as non-compulsory.

Two problems remain, which were also at the root of the rejection of the 1980 budget. The first concerns the budgetization of borrowing and lending operations and the second the budgetization of the EDF. No solution for these problems will be found this year, but I believe there has recently been some progress deserving mention.

The Council proposed improvements in the document setting out borrowing and lending operations. The proposal was, in fact, to use the technique of movement of capital, therefore relying for the most part, except for questions of authorization, on the document prepared by the Commission, which we are working to improve in the Committee on Budgets.

Above all, the Council offered Parliament to include the discussion on the borrowing situation in the budget procedure. I personally believe that this is an extremely positive step because it will allow Parliament to take this into account as part of an overall assessment of the budget. A closer connection is therefore established between loans and the budget entries. It has also been proposed that, since it is a question of formulating new mechanisms concerning loans, recourse to the conciliation procedure could be made obligatory, instead of occurring only on request. I believe this also to be positive, although, Mr Representative of the Council, I believe that the Parliament should stress that the normal limitations of the budget procedure, which provide for an autonomous decision by the Council once the viewpoints of the two institutions have been aligned, should be replaced, if possible, with an agreement subscribed to by both parties, and that this agreement should form the basis for the Council's subsequent decision.

As we know, budgetization of the EDF has been postponed until the 6th Fund. I consider what the Council has communicated to us to be of a positive nature, and without going into detail, I think it important to emphasize that the Council, in providing for a classification of compulsory expenditure and in confirming the possibility of applying budgetary measures and principles to the EDF, accepts the budgetization of the Fund itself. I believe therefore that this should be taken as a definite commitment concerning the 6th EDF. The Committee on Budgets proposes in any case to attach the financial document transmitted by the Council to the budget.

Parliament should bear in mind the part of the resolution of 6 November, 1980 which contains a reference to the restructuring of Community expenditure, to the rebalancing of funding policies, and an indication of several lines of action. I believe it necessary to repeat today that the Parliament will pay close attention to the proposals of the new Commission, to ensure that they are in line with the views of this Parliament.

Madam President, Mr Representative of the Council, Mr Commissioner, ladies and gentlemen, I have reached the end of my report. I wish to point out that Parliament was not only concerned with safeguarding its own institutional powers, as is its duty, nor was it only concerned with increasing certain expenditures, in particular the non-compulsory ones which lie within its sphere of competence and therefore permit an expression of its own demands for progress. In this

**Adonnino**

budget Parliament was also concerned with reducing expenditure wherever possible; with creating, for example, a reserve to meet future needs arising from agricultural expenditure. I believe that Parliament has acted very responsibly, and it is also to its credit that relations with the Council have improved, permitting a firm and open discussion directed at obtaining concrete results.

I hope that the Council will realize that Parliament shares the spirit of prudence which induced it, on the first reading, to curtail non-compulsory expenditure in such a way that, after the Commission's proposal, the utilization margin of the VAT quota amounted to about 1 350 EUA. We believe, however, that more or less the same results can be obtained by other means. Today it must be borne in mind that, since the agricultural reserve has been established, eventual new demands will no longer be a charge on the absolute margin. We must also remember that the repayments to the United Kingdom were anticipated in the 1980 budget, and will therefore not figure on the 1981 budget, making it possible to increase the maximum reserve. If we succeed, as we hope to do, in concluding the procedure for the 1980 supplementary budget, this could also serve as an imaginative but practical operation of budgetary engineering for removing some of the burdens from the 1981 budget.

We should be aware that the absolute margin, which was initially 550 million EUA, has now been more than doubled. In regard to the continuing debate between Parliament and the Council on non-compulsory expenditure, I think that our recent meetings and the vote the day after tomorrow may confirm our hopes.

Considering the evolution of the Community as a whole and the attitudes of the institutions, taken separately and together, I believe that this 1981 budgetary procedure has produced significant new elements which will, hopefully, provide more and increasingly significant results in the future.

*(Applause)*

**President.** — I call Mr Ansquer.

**Mr Ansquer, rapporteur.** — *(F)* Madam President, we are now approaching the final stage of our budgetary procedure, which has given the European Parliament a chance to see the overall picture and also to establish a doctrine against which to measure the administrative budgets of the institutions.

This doctrine is based on two contradictory principles. On the one hand the European Parliament expects all the institutions to have the resources they need to carry out the tasks assigned to them by the Treaties, and on the other hand it expects them to make addi-

tional efforts to curb increases in appropriations. Bearing these two principles in mind I propose that we should as far as possible remain within the overall ceiling decided by the Council. An exception should be made, however, as regards the budget of the Court of Justice. The proposals of the Committee on Budgets entail a total expenditure of no more than 163 000 EUA. The committee sought by this means to avoid the danger of any increases in the administrative budgets that might be adopted being taken out of the margin for manoeuvre available to Parliament at the final reading. I believe, in fact, that the margin we have to cover non-compulsory expenditure should be used to reinforce structural and social policies and not to contribute to the escalation of administrative costs. And I believe Mr Adonnino would go along with me on this.

As regards our own budget, the House will recall that we suggested a number of structural changes and also the updating of Members' allowances, whilst remaining faithful to the principle adopted by Parliament when it first examined its estimates. The Committee on Budgets nevertheless feels obliged to make two general observations on the subject of our budget. During the November part-session we had a fairly heated debate in this House about the appropriations set aside to cover rents at the three places of work. Parliament took an unambiguous stand on this question: the responsibility for the financial consequences resulting from the lack of a decision on the seat must rest exclusively with the governments of the Member States. It is a very heavy responsibility, as the proportion of our budget that is directly attributable to the lack of a single seat continues to grow. Nor should Parliament itself shirk its own responsibilities in the matter, and it is for this reason that the Committee on Budgets, in its resolution, calls on Parliament to keep a particularly watchful eye on the cost of rents in the three places of work.

The committee's second observation concerns Parliament's establishment plan. You will recall no doubt that all the posts created in June were frozen, with the exception of those set aside for new Greek officials. These posts were frozen to enable Parliament to conduct a review of its structures and analyse its real needs. Nevertheless, the Committee on Budgets considers that the procedure for releasing posts must be very carefully thought out. With this in view, several members of the Committee on Budgets — in particular Mr Pfennig and the members of his group — formulated a proposal for such a procedure which would closely involve the heads of administration and would moreover require careful scrutiny of each request by the Bureau of Parliament and the Committee on Budgets.

Your committee takes a very favourable view of this proposal, believing that it could be the best way of making the present procedure more transparent. This

**Ansquer**

proposal has therefore been passed to the working party set up jointly by the Bureau and the Committee on Budgets. You will recall that this working party is composed of the President of Parliament, the Bureau of the Committee on Budgets, two political group chairmen and Mr Dankert, Vice-President of Parliament. I believe there is good reason for optimism regarding the conclusions that this working party will come up with, which will hopefully get around the problems connected with the division of powers while at the same time showing due regard for the responsibilities of all concerned.

I am not forgetting, of course, that we have a working party set up by this House and chaired by Mr Vandewiele, which, needless to say, will continue to look into these matters. Throughout this procedure both Council and Parliament have adhered strictly to the gentleman's agreement not to interfere with each other's budget. I have already indicated that this agreement is very much in the Community's interest and I hope it will continue to be observed in future years. I can deal with the other three budgets very briefly. With regard to the budget of the Economic and Social Committee, the Committee on Budgets abides by its original proposals put forward at the first reading, the aim of which is to strengthen the administrative structures of the Economic and Social Committee and to permit the conversion of a certain number of posts in order to align the career development of its officials with the practice in other institutions. These measures are essential if the Committee is to be able to meet the growing burdens facing it as a result of enlargement.

As regards the budget of the Court of Justice, I am proposing some additions to its establishment plan and the conversion of a number of posts, but the Committee on Budgets calls on the Court of Justice to make every effort to hold back recruitment so as to finance the additional posts from half of the appropriations that we proposed in November. In this way we shall have struck a compromise with the Council, which for its part accepted one of our amendments concerning the costs of building an annex to the Court of Justice.

Lastly, I do not propose to reinstate the appropriations to cover the cost of publishing the reports of cases dealt with by the Court. The budgetary authority will, if necessary, have to find the resources for this in the course of the financial year. But I ask the Court of Justice to keep within the overall ceiling on expenditure laid down in the draft budget.

As for the Court of Auditors, the Committee on Budgets is suggesting an amendment creating new posts in the language service to provide adequate cover for translations from Greek as from the beginning of next year.

However, this amendment has no financial implications for 1981 because we are asking the Court of Auditors to find the necessary appropriations from within the existing appropriations available under Chapters 11 and 12. I do not propose reinstating the amendment put forward at the first reading relating to outside consultants. The budgetary authority could effect the necessary transfers of appropriations as and when the need arises.

To summarize, the Committee on Budgets is limiting its proposals to four new amendments in an effort to demonstrate its willingness to fall in with the Council's position on the budget. But I again call upon the Council to collaborate more constructively with Parliament both on the budgets and on questions connected with the functioning of the institutions. In order to be able to fulfil its task the budgetary authority must not only look at the appropriations and new posts to be created, but must also have an overall picture of how our institutions operate. Whilst Parliament has every intention of subjecting every budget to the most vigorous scrutiny, it would also like to be able to work in close cooperation with the Council so that our work can bring positive results, results that will enhance the work and influence of the Community institutions.

*(Applause)*

**President.** — I call Mr Doublet to speak on behalf of the Committee on Transport.

**Mr Doublet, draftsman of an opinion.** — *(F)* Madam President, after examining the position taken by the Council the Committee on Transport once more unanimously decided to put forward its original proposals. For, in fact, the Council has tossed us a bone to play with and, on our main demand, has replaced a dash with a token entry. And what arguments are put forward for rejecting our proposals? There can be no question, says the Council, of entering appropriations unless and until a transport policy has been laid down. But the Council should look at its own record, for while Parliament for its part has been drawing up one study after another, submitting reports and passing resolutions, the Council, on the other hand, has yet to implement the regulation of which it was itself the prime mover.

The Council goes on to say to us: 'The Commission must define its priorities before we can offer it any appropriations.' But the Commission has already listed, over two years ago, a number of projects that it was very interested in pursuing and there is no shortage of projects. So let the Council allocate the appropriations, laying down conditions as to their use if need be, whereupon the Commission will immediately assume its responsibilities and the appropriations will be utilized in good time.

### Doublet

After all, the 15 million in commitment appropriations that we are asking for the infrastructure policy, corresponding to the 15 million in payment appropriations and the 50 million in commitment appropriations of last year, represent an interest rebate of 2 points over 5 years on a loan of 100 million EUA.

The third counter-argument runs: 'Let the Member States lead the way'. But it is absolutely essential for us to demonstrate a degree of willingness, to indicate the kind of project or projects that we should like to see implemented as a matter of priority and that in our eyes would be of an unquestionably European character.

Lastly, there are the objections of an apparently budgetary nature. In point of fact we are talking here about a sum equal to three thousandths of the general budget. Our greatly scaled down and eminently reasonable requests do not jeopardize any other policy. Their sole purpose is simply to enable us to implement for the very first time a specific measure under the transport policy expressly provided for in the Treaty of Rome. This measure will permit us to meet increasingly important and pressing needs. In conclusion, two issues are at stake here, namely the need to get action under way in a priority sector and, secondly, the matter of achieving the necessary degree of cooperation between the Community institutions, which is something we urge with all our strength.

**President.** — I call Mr Dankert.

**Mr Dankert, rapporteur.** — (NL) Madam President, this Parliament finds itself, of course, in a rather remarkable situation, in that we are this morning discussing a supplementary budget for 1980, the budgetary proposals for 1981 and the ECSC budget. I have the feeling that there is some room for improvement in the future cooperation between the Council and Parliament to prevent the coincidence of these various budgets, something to which Mr Adonnino has also referred. In my opinion, the eventual solution will not be exactly satisfactory from a budgetary point of view either. There is, of course, a link, partly as a result of the critical situation with regard to own resources in 1981 and the Council's consequent tendency to bring forward some of the 1981 problems to 1980 and to postpone others until 1982. We ought really to have had a general rapporteur for 1982 in this debate, but he has not yet been appointed. And something of a link has also been created by the partial failure of Parliament's attempt in 1980 to redefine the relationship between commitment and payment appropriations, since the Commission has been able to spend more than it had ever expected, particularly in the social and regional sectors, and the Council has kept very few of its promises in this respect. Furthermore, it again appears to be contemplating no more than the partial translation in 1981 of Parliament's efforts in 1980 to establish a relationship between commitments and payments that is acceptable in budgetary terms.

Those of you who have read the supplementary budget and are not members of the Committee on Budgets will perhaps wonder where this introduction is leading to and what the connection is with a supplementary budget that is exclusively concerned with the granting of emergency aid to Italy and making up something of a deficiency in payment appropriations for the Social Fund. I therefore feel it would be a good thing if I dealt with these two subjects first, before going back to my introduction.

Italy first, then: immediately after the inconceivable natural disaster in southern Italy the Commission rightly made the remaining 1.5 m units of account in emergency aid available. It is clear — and it was clear to the Commission at the time — that this 1.5 m pales into insignificance beside the estimated damage of 17 000 m units of account facing southern Italy. The Commission's initiative, followed up by the Council, of making an additional 40 m units of account available for immediate aid is therefore very welcome, although again this sum is, of course, insignificant when compared with the damage I have just mentioned. In proposing that this 40 m should be increased to 60 m, therefore, the Committee on Budgets is not trying to say that 60 m compares more favourably with the 17 000 m than the Commission's 40 m. I feel that the most important reason for the increase is that it represents a political gesture to Italy and the victims and their dependents in the Naples area, a political gesture to the victims of a disaster who would be entitled to our solidarity and help more than almost anyone else in the Community even if the earthquake had not occurred.

Then we have the Social Fund: the Commission has requested 100 m units of account to allow it to honour its payment obligations in 1980. A hopeful development, since both the Council and Parliament have constantly complained about the large sums left in the Commission budget at the end of the year, because it was not able to spend them. I am therefore surprised that the Council wants to grant only 60 m of the 100 m requested. It appears that one member of the Council claimed the burden on his treasury would be too great, as if the Community had no resources of its own, while another maintained that the Commission could not spend the money before 1 January. But I consider that a shabby argument when it is compared with the assurance given by the Council last year that it would make available the necessary payment appropriations for the 1980 budget if the situation required. The Commission has repeatedly said that the situation does require. It confirmed yesterday and on previous occasions in the Committee on Budgets that the sum requested can be spent in 1980. Since this Parliament must attach importance to the availability of payment appropriations if commitments have been approved and can be paid out, it also has an obligation, I feel, to make the requested 100 m available to the Commission.

**Dankert**

And that brings me to the problems we will face in 1981. In 1980, as I have just said, we had an assurance from the Council that the necessary payment appropriations would be made available to the Commission if the payment situation required. Challenged by the Committee on Budgets, by the rapporteur and by many others, Parliament has tried to obtain at least the same assurance from the Council for 1981. Parliament would, of course, have preferred to see the necessary payment appropriations included in the draft 1981 budget, but it would have been partly satisfied with an assurance. The assurance was not forthcoming, and to judge by the situation in 1980, we find that the Council keeps to only 60 % of its assurances anyway. This means that the Council has included commitment appropriations in the budget, and that means the draft budget features a substantial shortage of payment appropriations for both the Regional and the Social Fund. In view of the speed at which the appropriations of both funds have been disbursed in the last few difficult years, the Commission must seriously be expected to go bankrupt or suffer a shortage of resources if Parliament does not change this situation in some way or other.

Madam President, we of the Committee on Budgets naturally considered the possibility of an intervention of this kind in the 1981 procedure as a means of ensuring the inclusion in the draft 1981 budget of the payment appropriations required both for the Regional Fund and for the Social Fund, some 170 m EUA altogether. This should form part of the 1981 budget, because we feel that, if the budgetary authority enters into certain commitments, it must also ensure that the payment appropriations corresponding to these commitments are included in the budget. Secondly, we felt that this should be done in 1981, because the Regional and Social Funds are, despite all the criticism that may be levelled at them, among the few budgetary instruments which have the effect of redistributing incomes in the Community.

But it does not look — at least if I understand the Council correctly — as if the 170 m can be included in the 1981 budget, firstly because the Council is not inclined to allow the maximum rate of increase in payment appropriations to exceed the present 19.7 % by a great deal, and secondly, because Parliament can hardly adopt an extreme approach with respect to payment appropriations which are simply the outcome of a decision on commitments taken by the Council itself, and without wishing to get into a hopeless conflict with the Council, Parliament also has a few other priorities it would like to see achieved in the fields of energy and development aid.

Madam President, in these circumstances the Committee on Budgets proposes that we take emergency action as a last resort, a last resort which I have already said is far from satisfactory in budgetary terms, but one which will bring us to our goal, which

consists in ensuring the budget contains the guarantee that those who cherish hopes as regards the Social and Regional Funds as a result of the commitment appropriations entered for 1981 see their hopes converted into hard cash. The last-resort action which the Committee on Budgets is proposing consists in using resources left over from 1980 to finance the claims of Regional and Social Fund beneficiaries attributable to 1981 commitment appropriations. The expression 'resources left over' is perhaps overly simplistic. What we are in fact proposing is that some of the 300 m or more in payment appropriations which were not used from Parliament's margin in 1980 should be included in supplementary budget No 2 for 1980 so that commitments entered into by the Council for 1981 may be honoured.

I am, of course, prepared to withdraw this proposal immediately if the Council includes this 171 m in the 1981 budget outside Parliament's margin. But, as I have already said, I do not think it is prepared to do so. That is why the Committee on Budgets has put forward this proposal. We shall have to wait and see how far we get with the Council on this during the conciliation meeting on Wednesday. That was why we were discussing the time of the vote this morning. This proposal is thus designed to make it possible for the problems with the Council to be solved. It is also designed to prevent our being forced once again to take steps to reject the budget or block the procedure.

Madam President, if I may say so in all modesty, I find this proposal also shows that this Parliament's intentions are constructive, and this as regards not only the budget but also the furtherance of European cooperation.

**President.** — I call Mr de Ferranti to speak on behalf of the Committee on Economic and Monetary Affairs on interest subsidies on certain loans granted to Italy for the reconstruction of the areas devastated by the earthquake. I would also ask Mr de Ferranti to say a few words on the mission which, at the request of the Bureau, he has just undertaken to the devastated area of Italy.

**Mr de Ferranti, draftsman of an opinion.** — I wish to thank you, Madam President and the Bureau, for inviting me to go to Italy to see for myself the damage caused by the earthquake and to meet ministers and responsible officials. I undertook this mission and spent Wednesday of this week in Rome and Thursday in Naples, talking to Mr Zamberletti, the Commissioner now responsible for the earthquake area and subsequently visiting the earthquake area itself.

By way of introduction, Madam President, before I comment on the Community's response to the earthquake and the particular proposal that is in front of Parliament today and the motion for a resolution upon

**de Ferranti**

it, I would like to make one point. It is very difficult, unless you have visited the region, to imagine the extent of the damage and the geographical area that is covered, quite apart from the suffering and the misery and the unhappiness that inevitably follow a disaster of this kind. The area affected is about equal to the size of Belgium.

It is very difficult to comprehend what it means when 400 villages in an area of that size are damaged — 120 of them were completely demolished — and to imagine the complexity of the logistical task of bringing aid and succour to the people in the area. I think that the economic and social consequences of the earthquake are now beginning to be understood and I was very struck by the inevitability of the emotional situation in the area, especially during the early days after the earthquake when the problem was really being faced and people did not know exactly what was going on.

The fact is that some of the newspapers and some television commentators gave the impression that there had been failure on the part of the authorities to respond adequately. I would just like to say myself that I think it is appropriate for Parliament to consider the other side of the question and to recognize what a fantastic, indeed heroic, task was accomplished by the authorities concerned. It really must be recollected that, despite the appallingly bad weather until last Tuesday 350 000 people have been found accommodation, admittedly very temporary, in tents and caravans. Sanitary facilities have been provided for them. That in itself is a task of enormous proportions. And whilst most people of course are still close to their homes, some accommodation has been provided in hotels and in requisitioned housing.

In addition to that, law and order has been maintained. Of course there was the tragic murder of one of the mayors, even whilst I was there, but law and order has in general been maintained under difficult circumstances and to everybody's credit the health risks have been reduced to a minimum. I did just want to say that, Madam President, to Parliament before I make any further comments, because it is something I think that is in everybody's mind, reading the newspapers as we do, and I would like to say that I do not think that the newspapers and television have given a fair account of the job that has been done out there.

Madam President, we face today very specific proposals that have been made to us, and may I say how very fortunate it is that the European Council was meeting in Luxembourg at the critical moment because it enabled it to make decisions and precise proposals based upon the Commission's proposals to them.

The one which most immediately concerns the budget for 1980 is a proposal for 40 million ECU, to be spent in a way agreed between the Commission and the Ital-

ian Government's special Commissioner, Mr Zamberletti. This will be in addition to the 1.5 million which was all that was in the bank at the time the disaster occurred, and that was sent off straight away. That is part of the emergency aid in the very initial phases.

The main proposal, in front of us today is for a loan of 1 billion units of account of which the first 3 % of the interest would be charged against the Community budget for 1981 in the first instance. The loans would be for 12 years and therefore the charge on the budget would remain over a period of 12 years.

As I understand it now — and the budget Commissioner will be able to give more definition to this — the original Ortoli loans, with which we are all familiar and which are easily associated with the name of the Commissioner who first introduced them, are now to have their name changed and to be amended. From now on they are to be known as the New Community Instrument.

This is very important indeed under the circumstances we are considering today so that an additional billion can be raised. This money can then be spent in the area that is defined and on social and economic infrastructure work. Members will recall that the original Ortoli loans were somewhat restricted in their application i.e. to social infrastructure problems. This is a fairly formidable loan task and it is very much to be hoped that Parliament will continue to take an interest, especially of course in the rate of progress for helping to bring aid and reconstruction and economic activity back into the areas affected, but at the same time to fulfil its normal and proper function in its relationship with the Commission and the Council in ensuring that the monies are properly applied and appropriately spent.

On the subject of the Community response, I do think, it is worth mentioning that the Research Centre at Ispra had a column of nine trucks. This is a small part, but a part none the less, of the Community's facilities and it was despatched to Avellino and did work that was much appreciated in that town.

Could I just say a few words now, having commented about the Community's response, on the response in Italy itself?

The earthquake struck on the Sunday night at about 7.30 p.m. It was the Sunday after our plenary session in Strasbourg. The commandant of the Air Search and Rescue Headquarters in Bari was in his command centre and felt the tremor. He straight away made the decision as to where the earthquake was and what had to be done. He got into his truck, leaving appropriate commands behind him and drove to Potenza, where he, during the night, cleared the heliport so that at first light the next morning helicopters were arriving in Potenza with the necessary medical supplies and with



**de Ferranti**

all the facilities that were required to begin the immense job. It was a rapid, competent and praiseworthy effort.

Of course the Carabinieri and the police and fire service were in a position to go to work immediately.

The Italian Government had to set up the command structure rapidly, and they did so. During the course of Monday Mr Zamberletti was appointed. He had won great respect for his similar job during the Friuli earthquake, and he was appointed to take command of the affected area.

The most difficult response was really on the part, as I understand it, of the Army, which is stationed mostly in the north of Italy. It inevitably took them some time to get down to the affected area. It could perhaps have been that inevitably slow response which gave rise to some of the criticisms. I was very interested to learn whilst in Potenza itself how they maintained communications during the first Sunday night.

We can imagine the scene: People were in their houses; they were in the cinema, in the streets. The earthquake struck. The shaking, which was violent, went on for 70 seconds. If you look at your watches and just try to feel what it must be like to experience such an event for such a long time. The chaos that followed is difficult to describe. I listened to many personal reminiscences of what happened during those first few hours.

But it is communications that are the key to response. And it was very interesting that the police using their car radios were the key to maintaining contact between the rescue services. I have to admit, and they had to admit, that this was not planned. But it was a fortunate event that the police were there with their radios and able to carry out this important service. And I must say, both in relation to the response of the Army and in relation to the police, that there is perhaps a lesson to be learnt by all of us on how to deal with major disasters and aid the civil authorities.

I made particular enquiries, Madam President, whilst I was there because I felt that Parliament would be interested, as many people have personal experiences in the relief work organized throughout Europe. Everyone there appreciated enormously the response throughout Europe. They felt that whilst they were going through this disaster, they were not going through it alone.

Now relief came in many different forms, but there was one major problem. The motorway, which fortunately was undamaged, stretches throughout the province of Basilicata and Campagna and gives very easy access to the villages lying along the central area affected. What happened therefore was that a great number of relief lorries arrived, went to the villages close to the motorway and unloaded their supplies.

Those villages could not really cope with them properly, and the villages lying 20, 30 and 40 kilometres beyond the motorway got nothing.

Mr Zamberletti and the authorities took the view that it would be more appropriate in all the circumstances to have definite distribution depots where relief supplies could be delivered and then distribution organized from those depots.

This was of course disappointing to many of the people who had organized relief supplies and driven to Italy, that they were not able to hand over the supplies directly to the people affected. But I suspect that in logistical and administrative terms, it was probably the best that could be done.

None the less the area is so big that there must have been many instances where supplies were not delivered as competently as one might have expected. All I can say is that one should judge these questions in relation to the problem in its totality and reflect that now, nearly three weeks after the event, supplies are getting through very adequately and, as I said at the beginning, a fair amount has been accomplished.

Could I say a few words, Madam President, about the problem from now on and how the Community itself perhaps should regard it?

The immediate task facing the authorities is the more permanent housing of the people during the course of this winter and of course the following winter because the reconstruction work must inevitably take more than two years. It is important that people should be housed in something more permanent than tents or even caravans. The vital requirement is for 20 000 portable homes of the type that can be lifted like a container. If this Parliament has any communication value perhaps I could put an appeal out through you all now to do all we can to find companies that are prepared to provide this kind of housing because 20 000 are needed within a month.

The next most important aspect in regard to the future is to recognize that at the moment the economy of the country areas has really come to a complete standstill — without banks, without shops, without normal life, the economy really comes to a halt. It is vitally important therefore that the reconstruction phase and the Community's contribution to it take place and are initiated as rapidly as possible.

I was very encouraged to learn that the authorities do not propose to go through the same phases of investigation and planning that they did at Friuli. The proposal is to get straight on with the work on rehousing, on infrastructure, on public buildings, on agriculture and industry, using the existing authorities, and to carry it through as rapidly as possible. This, of course, is especially important once the powers of the special

**de Ferranti**

Commissioner cease to be available. Those seem to me to be some of the aspects concerning the country areas.

I would just like to add — speaking as one who was a visitor there for a very short time — that the fact that the villages are all on the tops of hills is a very remarkable one which does not seem to those who see them for the first time to be all that relevant in economic and social terms today.

But I think we should be very careful indeed before making any judgements ourselves. And it is vital therefore that the normal democratic decision-making procedures in the different areas of local government concerned should start functioning again as rapidly as possible. I am sure we could all dream of a grand economic plan to totally alter and modernize and change the way of life in this part of Italy. I am equally sure it would be a mistake. I think what we need is a clear determination to get on with the job as quickly as possible and to help the normal process of decision-making to take place efficiently and rapidly. I would suspect that the earthquake in the country areas will give the impetus for a new kind of social and economic life in the region, but it is for the region to decide and for us, perhaps, to allow the region to so decide.

Naples on the other hand, as opposed to the country area, is another problem. I left Rome at 6 o'clock in the morning. I got to Naples an hour ahead of time for my meeting with Mr Zamberletti and it took me a whole hour to get from the outskirts of Naples to Mr Zamberletti's office. Naples just does not function in the way that other cities in the Community do. It is very, very different. It is obvious how difficult the political problems are there, and it is certainly not for me to comment.

I would just say this though: it is evident from the shaking that the houses got — incidentally there were only one hundred deaths in Naples, but they were caused by the collapse of a building — that there are many, many more buildings that are extremely dangerous. Something has now got to be done to re-house a percentage of the population in Naples. Perhaps, therefore, there may be some benefit in this awful disaster if it stimulates the beginnings of the necessary changes that I think everybody who has visited Naples feels ought really to be made.

In conclusion, Madam President, could I say that the aid that is being proposed — the 1 000 million and the 400 million units of account — is very small. The total estimate of the cost made at the moment, which admittedly is very early, is something in the region of eight times that figure. The loan that is being found is perhaps therefore only one-eighth of the total sum of money required for just the first two years of the reconstruction phase. It is for the institutions to judge

whether the amount is correct and whether the interest rebate is the correct amount — that is a political decision which clearly must be made.

I think what is important though is to get on with the job, not to make too many changes, to recognize consensus where there is consensus and follow it up so that the work can be started; and then to recognize that what we are doing now, today, this week, is only the beginning; that as time goes by it will be necessary to re-examine the problem and the challenge that we face and to decide again whether additional monies are required and on what sort of repayment terms and what sort of interest rates.

So I hope we will in no way think that that is the end of the story of Community aid — it must be kept under review. I hope that Parliament will play its normal role, using its committee structure in the normal way and putting questions to Commissioners dealing with the progress being made under its rules in the normal fashion. But we do need to remember constantly during the next two years that this was a disaster on an unprecedented scale. It is a challenge that has been presented to the Community. It goes to the very heart of whether the Community is meaningful to the people of our countries or not and it is therefore the continuing responsibility of this Parliament to make certain that Community institutions respond in an appropriate way.

The way in which the Community responds is of course not limited to the specific proposals before us today. There is also the normal functioning of the Social and Regional Funds. But, my goodness, this disaster certainly lends emphasis to the need for extending the Social and Regional Funds and the need to get on with the normal job of the budget, which we have heard explained by the rapporteur on the budget today, and the need to make progress under the Commission mandate and go ahead with all the views that we have in this Parliament about future progress in the Community.

I hope very much therefore that the normal working of the institutions will continue but, also that it will continue, with a very considerable sense of urgency, to respond to this appalling situation.

*(Applause)*

**President.** — I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.** — *(D)* Madam President, ladies and gentlemen, Mr de Ferranti has undoubtedly given a very impressive report of conditions in the earthquake area. I will not comment on this or on the aid measures, which we all support without reservation, having said some time

**Lange**

ago that aid is needed quickly and urgently in the Italian disaster area.

Madam President, I cannot, however, avoid raising one point which we find rather disturbing. The report submitted by Mr de Ferranti clearly demonstrates that this regulation concerns above all the procurement of resources, in other words, the Community must raise loans to be able to make the required financial resources, the additional resources available to Italy. Mr de Ferranti and Mr Adonnino, the rapporteur of the Committee on Budgets, will be commenting on this later.

I feel we must take this opportunity to have a further discussion on the terms of reference of the committees in the Bureau or the enlarged Bureau. Some may think it is being petty to raise the question of terms of reference in the context of the disaster in Italy. But this was not all that the committee now responsible wanted. When financial resources have to be procured for certain political measures and loans granted from these resources, or borrowings, then we are talking about financial policy and not economic policy, regional policy or social policy, and the Committee on Budgets is then the appropriate committee.

If I take the argument used by the enlarged Bureau to appoint the Committee on Economic and Monetary Affairs as the committee responsible, I can only conclude that in fact the Committee on Regional Policy and Regional Planning should be the committee responsible, because what is at stake is not simply the economic development but the complete reconstruction of a region. I feel that these questions must be quietly settled — not here and now: this was simply intended as a stimulant — in the Bureau or enlarged Bureau, so that no more misunderstandings arise over the terms of reference of committees.

I should like to add that the Committee on Budgets has refrained from claiming responsibility for matters to do with taxation and tax legislation because tax legislation is for the Community simply a question of harmonization and equal conditions of competition, and that is a subject which falls within the terms of reference of the Committee on Economic and Monetary Affairs. But the procurement of resources on the capital market does not fall within the terms of reference of the Committee on Economic and Monetary Affairs or of the Committee on Regional Policy and Regional Planning.

Madam President, I felt compelled to take the opportunity to point this out. If we had said nothing, the Bureau or the enlarged Bureau might have assumed that we agreed to such decisions.

I would ask the chairman of the Committee on Economic and Monetary Affairs not to see my remarks in the wrong light. I was able to explain the situation to him personally this morning.

**President.** — We do not wish to hold a debate on the question of aid to Italy, but only on the question of principle posed by the chairman of the Committee on Budgets. It would be desirable for the chairman of the Committee on Budgets to contact the Committee on Economic and Monetary Affairs on this matter as the question could arise again. If agreement is reached the Bureau will ratify it and it will be included in the draft to be submitted to the plenary sitting which will be required in the near future to decide on the terms of reference of the various committees.

I call Mr Adonnino to present the opinion of the Committee on Budgets on aid to Italy.

**Mr Adonnino, rapporteur** — (I) Madam President, ladies and gentlemen, the Committee on Budgets has examined the problem of aid to Italy following the earthquake, to the extent that the matter touches upon its field of competence. This examination naturally took into account the most strictly technical factors, but we are nevertheless fully aware of the social and human aspects of this great tragedy. I believe it my duty to begin by praising Mr de Ferranti's report, a correct, precise, and very moving one which gives us an objective picture, such as I, an Italian, would find it difficult to present. I am especially appreciative of the evaluation made by Mr de Ferranti after his personal, on-the-spot investigation of the occurrence.

This having been said, Madam President, the Committee on Budgets evidently agrees with Mr de Ferranti's conclusions regarding this aid, and approves the recourse to the system of loans. The Committee believes that, as a beginning, the tranche of 1 000 million is acceptable, for it is clearly necessary also to take into account the existing capacity for utilizing the means involved. The Commission itself, in presenting the proposal, specified its opinion that two-thirds of this 1 000 million can be entered in the 1981 budget, and one-third in that for 1982.

What I wish to emphasize, and which I consider very important, is that when we discuss such intervention, we normally use the word 'solidarity' and justify our action by the principle it represents. I believe that what we are doing now in this exceptional case is in fact a manifestation of the principle of solidarity, but not only that. We must be aware that the action taken for reconstruction in the areas devastated by the earthquake is also a Community matter: if the Community exists, it is to its advantage that all the regions belonging to it should be capable of progressing towards the goals for which it was created and towards the objectives clearly laid down in the Treaty of Rome. If, therefore, because of an extraordinary event, such as this earthquake in Italy, the basic conditions in two regions, which were already among the most disadvantaged, with income far below the Community average, are further aggravated, the restoration of these basic conditions to permit the continuation of normal

**Adonnino**

policies designed to improve life in these regions is properly a problem of Community interest. Such action represents not only solidarity as a human emotional fact, but also, and in particular, the very principles underlying the existence of Community policy.

A consequence of this was examined yesterday by the Committee on Budgets. The proposal in question provides for an interest subsidy of 3 %, which will affect Community budgets for the next 12 years, and whose influence on the 1981 budget I have already mentioned. What is the reason for the 3 % figure? It has been noted that no new means were created, and that a new tranche was merely added to the means already in existence to cover the new commitment. Therefore the normal 3 % was adopted, a figure which already has precedents in Community financial intervention.

We of the Committee on Budgets agreed yesterday that the event is exceptional in nature, and calls for an exceptional response. The Committee planned to suggest that the 3 % interest subsidy, that is, the intervention by means of an interest subsidy charged to the Community budget, should be increased to 5 %. Naturally, over the years of the duration of the loan, the conditions of the money market, which are subject to change, will be taken into account. With this suggestion we mean to stress that the decision regarding the loan should be referred to the budgetary authority, which will decide on an annual basis, and that the extraordinary nature of the situation should also be reflected in the mechanisms of this Community intervention.

These are the two fundamental points I wished to make, but there is also a third one, which is that the Commission's proposal, in contrast to what has been done before, is intended to provide for interest subsidies, not through the creation of a special fund — which remains outside the Community budget, — but rather to the system of annually charging the pertinent amount to the Community budget. I believe that this, too, is very important, for this annual charge on the budget underlines the Community nature of the initiative and thereby the fact that the Community is providing for these expenditures out of its general resources.

Ladies and gentlemen, this is the conclusion reached yesterday by the Committee on Budgets. While welcoming Mr de Ferranti's report and respecting his conclusions, I want to state that I shall be tabling an amendment to the motion for a resolution on the amount of the interest rebate.

**President.** — I call Mr Santer.

**Mr Santer, President-in-Office of the Council.** — (F) Madam President, for the third time in a few months it falls to me to address Parliament in the context of the budgetary procedure for the financial year 1981. I should like to point out that throughout this procedure the Presidency has made every effort to maintain the closest possible contact with the parliamentary bodies most directly concerned with budget questions, in particular the Committee on Budgets.

The difficulties we experienced over the 1980 budget together with their many and various consequences should at least have taught us one lesson, namely that no institution has anything directly to gain from precipitating a budgetary conflict with its potentially crippling effect on Community policies, which would be detrimental to the Community itself. Through a continuous dialogue with Parliament, jointly with the Commission, the Presidency hoped above all to be able to explain the background to the positions adopted by the Council, to clear up any misunderstandings that might have arisen between our two institutions and to take some of the heat out of the discussions on possible points of friction.

The time is nearly upon us when each of our two institutions will have to assume its responsibilities in the full knowledge of the arguments and motivations of the other.

You will recall that on 24 and 25 November 1980 the Council took its decision on the 1981 draft budget, amended and accompanied by proposed modifications adopted by Parliament on 6 November. Before making its decision the Council had an opportunity to measure once again, at a meeting with a parliamentary delegation, the importance that Parliament attaches to certain particular aspects of the 1981 Community budget. I do not believe I am exaggerating when I tell you that the arguments developed by your delegation in the course of this meeting had a significant influence on the Council's deliberations on some of the points about which Members of Parliament feel particularly strongly. I will go further. I am personally convinced that the effort put in by the Council on the night of 24/25 November represents a significant movement towards the common ground that our two institutions must find this week.

I should like then, if I may, just briefly to run through the Council's decision, concentrating on the most important topics.

The Council has again confirmed that it shares Parliament's preoccupation with the need to keep a tight rein on agricultural expenditure. It did not reject either proposed modification No 594, cutting aid for skimmed-milk powder by 50 m EUA, or the modification which provided for a flat-rate reduction of 2 % throughout Chapters 6 and 7 and the transfer of a corresponding amount to Chapter 79. The approval of

**Santer**

these two proposed modifications is in my view indicative of the economy-oriented approach that we can expect to prevail at the discussions on agricultural prices for the 1981/1982 marketing year and on the financing proposals that the Commission will be submitting on that occasion.

The inclusion in the budget of borrowing and lending operations was among the points that had induced Parliament to reject the 1980 draft budget. Following a period of hesitation and prevarication the Council, after a very detailed examination of this complex subject, eventually formed a clearer picture of the numerous problems associated with this question. It was forced to conclude that a number of the most important budgetary rules prevented these operations being included as such in the budget. However, in order to enable Parliament to have a clear overall view of the Community's borrowing and lending policy, of the debt burden and also of the regularity and sound management of these operations, the Council proceeded to rearrange and improve the document that is to be annexed to Section III — Commission — of the budget. Furthermore, before the end of the budgetary procedure the Council will be answering any points that the European Parliament may wish to raise in connection with this annex, and it will also be applying, with the European Parliament, the conciliation procedure laid down in the joint declaration drawn up by Parliament, the Council and the Commission, before adopting the basic regulations establishing the new borrowing and lending mechanisms. I believe that in this area, too, the Council has made a genuine attempt to move towards meeting Parliament's wishes, but without — and I am fully aware of this — being able to meet them fully.

The parliamentary delegation which met the Council on 24 November indicated that the sections of the budget that the European Parliament had singled out for priority treatment this year were those relating to energy, regional and social policy, and development cooperation policy. It would seem that there is a large measure of agreement on this point between Parliament and the Council, for it is on the appropriations in these four particular areas that the Council has concentrated its special attention. The Council has increased the Social Fund's commitment appropriations by 40 m EUA as against the 59 m EUA requested by Parliament.

Moreover, the Council has added 140 m EUA in commitment appropriations to the European Regional Development Fund, bringing the total to 1 540 m EUA as against the 1 600 m EUA suggested by Parliament. It is clear from this that as regards commitment appropriations in these two areas there has been a considerable narrowing of the gap between the two positions and the volume of appropriations adopted at the second reading should no longer be a source of conflict. Now as regards payment appropriations I

understand that, despite the undertakings already given by the Council, which would make available some 180 m EUA for these two areas combined, Parliament still feels that a further 50 m EUA or so will be needed for the European Social Fund and a further 150 m EUA for the European Regional Development Fund in 1981. I would ask Parliament to take into account also the financial measures that are being taken in connection with the Social Fund under supplementary budget No 2 for 1980, about which Mr Dankert spoke to you earlier.

On a general note, I would say that the experience gained in previous years has shown that there has been a tendency on the part both of the Commission and of the budgetary authority to overestimate the payment appropriations requirements for these two large funds. This is a factor it is well worth bearing in mind in the discussions that have still to take place on this problem.

So far as cooperation with non-associated developing countries is concerned, the Council has added 50 m EUA in commitment appropriations to the figure approved in September. The Council has, however, made no increase in payment appropriations since it has transpired that all the 1980 appropriations are to be carried over to 1981, the rate of utilization of appropriations being extremely slow owing to the difficulties inherent in an operation of this nature.

The other sector regarded as a priority one by Parliament is energy. Here, the Council is proposing an increase of 47.3 m EUA in commitment appropriations, thus doubling the appropriations originally entered in the draft budget in September. The Council has, however, admittedly declined to include in the draft budget amounts of the order of 150 m EUA, as a 'global reserve' for the energy sector, and a further 100 m EUA for the new Community initiative. The Council could not allow the budget to be inflated by the inclusion of appropriations of this order of magnitude, since it is virtually certain that there will be no possibility of such amounts being committed during 1981.

Another amendment to which Parliament attaches the greatest importance provides for the entry of a total of 112 m EUA to finance social measures in the iron and steel sector. After discussing the matter at very great length the Council accepted that action had to be taken to alleviate the social implications of the crisis in the iron and steel industry. However, we should not close our eyes to the fact that opinions are divided as to the best method of achieving the desired objective. This fundamental question is even now being discussed in Brussels, but the Council's suggestion of putting in a token entry until such time as a decision of principle is reached seems the best course as it leaves all the options open.

**Santer**

Madam President, looking at Parliament's resolution of 6 November on Section III — Commission — of the 1981 draft budget, it should be apparent — as I have just tried to show — that on a whole range of points the Council has made considerable efforts to accommodate the views of the European Parliament. This is particularly true given that the Council has agreed, not without some difficulty I can assure you, to initiate with Parliament the procedure provided for in Article 203 (9), fifth subparagraph, for the purpose of fixing a new rate for payment appropriations.

It is therefore with some surprise, not to say regret, that I learned that Parliament's Committee on Budgets had decided on 8 and 9 December to recommend that Parliament reinstate at the second reading amendments to the amount of 240 m EUA in commitment appropriations and 215 m EUA in payment appropriations, and that does not take into account the Regional Fund or the ECSC social measures on which the Committee on Budgets is to express an opinion only tomorrow afternoon.

The critical situation in the budgetary field that all the Member States, without exception, are experiencing at the moment — and there is no light at the end of the tunnel looking at next year, austerity being the order of the day — demands that we be realistic and it is in this frame of mind that the Council will be embarking tomorrow with Parliament on what I hope will be the very last discussions on the 1981 draft budget, which it is in all our interests to see adopted by the end of this week.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Madam President, as Mr Dankert said in the speech which he made earlier in this debate, we are dealing with a number of important subjects which have now become rather mixed together. We have an annual budget, we have a supplementary budget, we have a letter amendment, and we are dealing with them all together. We have the very important political and technical problems that arise from the budget and the supplementary budget. We also have the quite different but extraordinarily important human and political problems that arise from the Italian earthquake, so we are moving from the kind of detail which characterizes our budgetary debates to the enormous human, social and political problems that characterize the Italian earthquake, all in the space of a single debate and, in the case of some of us, in the space of a single speech.

Now clearly the only way to approach a matter of this sort is to deal with each subject one at a time and to try to provide as clear a division between them as one can. As the House would expect, I shall start with the budget for 1981, though I shall also have some refer-

ences to make to the interesting and imaginative ideas which have been put forward for linking the annual 1981 budget with the supplementary budget for 1980.

I begin, therefore, with the 1981 budget, and I begin with a quotation:

Where the Assembly, the Council or the Commission consider that the activities of the Communities require that the [maximum] rate should be exceeded, another rate may be fixed by agreement between the Council, acting by a qualified majority, and the Assembly, acting by a majority of its members and three-fifths of the votes cast.

No doubt, many Members of the Parliament will instantaneously remember that that is a quotation from subparagraph 5 of Article 203 (9) of the EEC Treaty. It is an important element in our debates today, because it is very clear from the text that each of the three institutions, the Parliament, the Council and the Commission, have a say in the matter. Each of them is entitled to express its view as to whether in the best interests of the development of the Community's activities the maximum rate ought to be exceeded. The decision, of course, has to be taken by agreement between the Council and the Parliament. For once, these two institutions are indisputably on an equal footing. There has to be real negotiation; there has to be a genuine search for a mutually acceptable solution; some compromise has finally to be found and a genuine co-decision has to be taken by the two institutions that together comprise our Community's budgetary authority.

On the question whether a maximum rate ought to be exceeded at all, I am glad to underline that the situation today is clearer than it has ever been in the past at the same stage in this procedure, or, at least, certainly clearer than it has been in my recollection, though there are some people here, Mr Lange, Mr Aigner and others, who have been dealing with budgets over a very much longer period than I have. It is well known that the Commission, right from the beginning, expressed the view that the Community's activities require that the maximum rate of 12·2 % for this year should be exceeded. We took this view with regard both to commitment appropriations and to payment appropriations. Nor will it have escaped anyone's attention that the Council at its second reading also decided that the maximum rate should be exceeded with regard to payment appropriations. A new rate has indeed been proposed by the Council to the Parliament. This is, if I may say so and I think it is right that I should say so, both an act of realism and a gesture of goodwill on the Council's part. We are, it seems to me, working in the right direction and we have, as I think has emerged both from Mr Santer's speech and from some of the speeches which have been made from the side of the Parliament, a more favourable atmosphere than has sometimes been the case in the past. Indeed, I have noted that the last conciliation meeting, held in Brussels during the budget Council in

## Tugendhat

November, took on a new and specific character. It enabled the three interested parties to have a real and thorough exchange of views about the Community budgetary policy in the short and medium terms. Certainly, the position of the Parliamentary delegation and my own position were rather in advance of the position of the Council, and I believe that many more meetings of the same type will be needed in order to clarify misunderstandings and to settle old problems. I expressed my views of the way in which those meetings should develop and the kind of issues which should be covered in the contribution which I made at that time; but I would like to express the wish here that the conciliation meeting which will be taking place tomorrow and which will be dealing above all with the specific problems relating to this budget, though no doubt it will go wider as well, will be able to take place on the same constructive plane as seems now to be characterizing the exchanges on the 1981 budget.

So, Madam President, I have sounded an optimistic note, and after listening to the rapporteur, Mr Adonino, and to the other speeches, I think there are reasons for optimism. The Committee on Budgets' suggested course of action — to devote a considerable weight of expenditure in the 1980 supplementary budget to purposes that are undeniably in the interests of the Community and as a result to be willing to forego seeking increases of a similar order in non-compulsory expenditure in the 1981 budget, when the Community's finances will necessarily be much more constrained, seems to me to be both responsible and imaginative. It is imaginative because Parliament is using its undoubted powers to the full and in a constructive fashion, and it is responsible because it should provide a means for the two halves of the budgetary authority to reach agreement. But for this to happen, we shall have to have a speedy and, above all, a positive response from the Council, and I for my part appeal to it to act in this manner.

I now turn to some more detailed and specific remarks. As the House knows, there has been a constant problem this year in the relation between payment appropriations on the one hand and commitment appropriations on the other. Every year that goes by presents us with a new situation. Last year, as everyone will no doubt vividly recall, the level of payment appropriations was not the main issue; it was commitments that were the cause of discord. This year, it so happens that it is for payment appropriations that the Council itself has thought fit to exceed the maximum rate. Now, of course, that does not mean that one year payment appropriations are of political importance and the next year they are not. The Commission has always held, and continues to maintain the view, that payment appropriations must automatically flow from the level of commitments. It is precisely because payments are an automatic consequence of commitments that commitments which have already been

entered into and commitments which the budgetary authority will authorize us to enter into next year must be honoured by a sufficiency of payment appropriations. This is a problem which the Council has hitherto avoided facing up to completely, but it is one that cannot be neglected or set on one side indefinitely.

One can, of course, take a number of views on the subject. One can decide that the appropriate level of payments, should be entered now in the 1981 budget and thereby become part of the overall bargain on the amount by which the draft budget ought to be increased. This, of course, would be the normal way of doing things. On the other hand, one can accept that such amounts can instead be provided by way of supplementary budgets. That is the less normal way of doing things. It is less normal, it is less orthodox, but it is — and I think this is the key point — perfectly possible. Parliament is suggesting the latter course, and because of the financial circumstances of the Community it is suggesting the use of the 1980 supplementary budget. Now, as I have said already, this is ingenious, but the budgetary authority must recognize that it has consequences for carry-overs and transfers and these will have to be accepted subsequently — if, indeed, it is decided to go down this particular route in order to find a solution to the problems which we face at this particular moment. There, Madam President, I would like to let the matter rest of how it is one seeks to find a solution to the problem. I think that a new and interesting avenue has been opened up, and it is one that certainly must be explored to the utmost.

In any discussion about a budget, we cannot, of course, avoid all reference to figures, and for a few brief moments I should like to deal with some of them. On several occasions this year in this Parliament, I have pointed out that the Commission's record in the utilization of payment appropriations has been improving very considerably. Indeed, in October of this year, in answer to Mr Notenboom's oral question with debate about the implementation of the 1980 budget, I announced a full utilization of the Social Fund payment credits by the end of this year. That was in October; and the Commission has now just given written evidence that it could, if it were given the means, spend 100 m more than is actually available on the Social Fund. No-one, I think, could ask for a clearer demonstration of the need for an adequate provision in payment appropriations in this important area of Community activity, an area of Community activity which we have been emphasizing throughout the budgetary procedure.

As I am dealing with the Social Fund and its requirements both for 1980 and for 1981, let me try to clear away one possible misunderstanding. If the budgetary authority adopts the supplementary budget for 1980 as proposed by the Commission, this does not mean that the shortfall in the 1981 endowment is *ipso facto* reduced by the same amount. It is simply an indication

### Tugendhat

that the Commission has now removed all the administrative obstacles to speedy implementation and that its initial estimates for the 1981 requirements are being confirmed as the right ones. I think it is very important to bear this point in mind.

On the other priority actions, I have little to add to the statement I made on 3 November 1980. I think I need to repeat some of it, but I shall do so quite briefly. In the energy sector, I note that for all the lines where legislation still has to be proposed and passed — the new energy initiative, interest-rate subsidies for investment in energy-saving — the Committee on Budgets suggests entering the amounts in Chapter 100, and a global energy reserve has been entered in a separate reserve chapter, Chapter 103. I welcome these initiatives, which I believe demonstrate the Parliament's determination to foster the real development of a common energy policy. They constitute at the same time a clear acknowledgement that a separate legal basis is necessary before implementation becomes possible and they are, as in some other areas which we are talking about at the moment, a constructive and clear-sighted recognition both of the objectives that the Community ought to be pursuing and of some of the problems which face the Community in the way of actually attaining those objectives. So, I welcome these initiatives.

The same applies to Item 3781, concerning Community financial support for transport infrastructure projects for which it is proposed to enter 5 m EUA in commitment appropriations in Chapter 100.

Then there is Chapter 54, designed to finance social measures in the steel industry through a subsidy to the ECSC budget. I have spoken frequently and at length on this subject in this Parliament, and Parliament knows how very strongly the Commission feels on this subject. Both Commission and Parliament are held in suspense by the Foreign Affairs Council which is meeting today — I do not know if it has started yet — and which is expected to pronounce both on the substance of the policy and on its financing methods. We shall no doubt have to revert to this subject later this week in the conciliation meeting when the situation has become clearer. Suffice it for the moment to say that the Commission and Parliament share the view that once the policy is agreed, its financing through a subsidy from the EEC to the ECSC budget is both legally possible and financially preferable to any other method.

Aid to development is also, and justifiably so, in the forefront of everyone's preoccupations. It is therefore all the more regrettable that at this stage, where we should simply have to reconcile different views on amounts, the discussions should be burdened by underlying problems of principle, such as the classification of expenditure. Clearly, Parliament attaches great importance to increases in quantities of food aid. At the same time the Council, regarding as it does the

whole of food aid as compulsory, considers this matter to be closed. Once again, I have to regret that the budgetary procedure should have gone through without at any stage a proper discussion of the 'institutional points', as they are generally called, or the problems of principle.

The basis for discussion exists and has been provided by the Commission in its introduction to the preliminary draft budget. The Commission's thesis that any food aid which is not bound by an international agreement is non-obligatory is accepted in its entirety neither by the Council nor by the Parliament, but the justification for such a rejection has not been exposed by either of these two institutions, let alone discussed by them with the Commission. I have noted that the draft resolution prepared by Mr Adonnino deplors this state of affairs and proposes that such discussions be opened at the beginning of the 1981 financial year. I strongly support Mr Adonnino's initiative, even though it does not, of course, help to solve our problems on this particular occasion.

Having covered the main priority items, I should like, if I may, to turn to a few rather technical remarks. First of all, on the four lines under Article 351 relating to environment policy, it is clear that the Committee on Budgets considers that the proposed amounts of 4 million European units of account must be implemented by the Commission on its own responsibility. While the Commission's original intention was to submit proposals for Council regulations in this sector, it would be possible instead — and more appropriate, given the amounts invoked — to prepare for future policy actions by studies and pilot schemes. The Commission is ready to do this. By definition, such actions would be of a more limited nature than those at first envisaged by us. If such is the wish of Parliament, the relevant amendments will have to be made to the remarks column of the budget in order to remove all further references to framework Council resolutions. Therefore, if Parliament wants to do this, it must take the consequential action; but, as I have explained, we, for our part, are prepared to undertake the tasks in the manner I have just described.

Secondly, I must thank Mr Aigner for accepting the Commission's suggestion that the breakdown of the subsidy to the various satellite bodies be shown in the remarks column of the budget. I understand that in his view that would imply informing his Control Committee about transfers made within the satellites' budgets but would not require any change in the existing financial regulations. I, for my part, can accept the terms of this settlement.

Lastly, I cannot and the House would not expect me to bring my speech to a close without thanking the Committee on Budgets for its amendments for both the creation and transformation of posts. I do so not only as the Commissioner responsible for the budget,



**Tugendhat**

but also as the Commissioner responsible for personnel and administration. I am particularly grateful to Mr Adonnino for recognizing that the transformation of posts is the best solution to ease the very serious career blockages which many Commission officials experience at this moment.

I have been dealing thus far with the 1981 budget and in the course of my remarks have naturally said something about the supplementary budget as well, but, as I said at the outset, we are dealing not only with these important matters but also with the very emotional, very human tragedy of the Italian earthquake and I should like, before I sit down, to turn to the proposals the Commission has made in response to that earthquake. The resolutions from the political groups and from others are only just beginning to become available. I do not have them all myself yet, and depending on how things develop, it may very well be necessary for me to say something later on in the debate on this particular point.

Let me say at the outset that Commission's view is that it is the duty of the Community to respond to the plight of its citizens. This duty can be fulfilled in a variety of different ways, but it is the duty of the Community to show solidarity with its citizens when they suffer some particular tragedy or disaster of which this earthquake is obviously a fearful example. Now, that response can come partly in the form of actions by individual citizens and partly in the form of actions by the governments of the Member States, but also, of course, it should certainly take the form of action through the Community budget.

Our proposals are in two parts: an appropriation for emergency aid which is contained in the supplementary budget No 2 to the 1980 budget, and a proposal for a long-term loan to be subsidized from the Community budget beginning in 1981. Let me take the 1980 supplementary budget No 2 and the 1981 letter of amendment together. The Commission proposed 40 million European units of account in emergency aid. The rapporteur of the Committee on Budgets suggests 60 million European units of account. The Commission considers that this is equally appropriate. They are substantial sums of money in our terms and in terms of our budget. Our means are limited, and they are, I think, an important act of solidarity.

So far as the loan is concerned, the House knows that this is intended for economic and social reconstruction. There is a difference between emergency aid designed to alleviate the immediate sufferings of the moment and the economic and social reconstruction that has to be embarked upon afterwards. The Commission has proposed a loan of 1 billion European units of account, subsidized at a rate of 3 % over 12 years, the instruments for the loan being the European Investment Bank and the New Community Instrument. The Committee on Economic and Monetary Affairs has, I understand, endorsed this approach.

I know there are some in the House who feel that things should be done differently. All I would say — and I said this in the Committee on Budgets last night — is that speed is terribly important. I think that came through very clearly from Mr de Ferranti's report, as well as from all the other reports which one has read and heard from the earthquake zones.

Speed is very important indeed, and I do hope very much that all those concerned with this problem — and certainly the Commission, Council and Parliament — will not take any action which gives rise, for whatever reason, to delay or make any changes which are not absolutely essential. We want to get the matter right, but we want to get the money flowing into the earthquake zone as quickly as we possibly can. We need therefore to agree on this assistance package to Italy in this part-session and to have it cut and dried before we rise for Christmas, so that the consequential action can begin to flow. But let me on this point — and, as I say, I may very well feel the need to return to it later — also allude again to Mr de Ferranti's report and to what I took to be the response of the House to it.

Mr de Ferranti explained first of all the magnitude of the disaster that has struck that part of Italy and drew an analogy with the size of Belgium in order to illustrate it. He also talked about the immediate problems and the way they are being tackled and about the big social and political problems which the people of that region are going to have to face. He said that it was going to be very important that the Community and its various institutions should stand ready to help and that we should help as effectively as possible. He pointed out, however, that the way in which the political and social problems of that part of Italy are resolved should be the responsibility of the Italian people and the appropriate Italian authorities themselves. That seems to be the mood of the House. Much the same terms were used by Mr Adonnino in his moving response to Mr de Ferranti's remarks and, of course, also by Mr Lange who spoke afterwards.

I hope the House will remember that, because I think there is a danger here of the Community becoming rather more involved in those decisions than is appropriate. I have here a motion put down by a number of Members which instructs the Commission to submit to the European Parliament without delay a detailed plan specifically designed to restore production and rebuild the industrial base, including the necessary social measures to improve employment and productive capacity throughout the earthquake area and in the adjacent areas. Now I would say to that that we are not the Italian Parliament. We are not the Italian authorities. Most of us, of course, are not even Italian, but, as is clear from Mr de Ferranti's remarks and the response which the House gave, it is for us to assist the Italian people and the appropriate Italian authorities in doing all those things. It is for us, I hope, to assist them, but it is not for us to take over their task.

### Tugendhat

Certainly not! It is for them to make their own decisions about their lives and their future and their region and their country. I think it is very important to remember that.

I think it is also important to look carefully at the actual situation of the budget and to remember first of all that our means are limited. All of us know that. Secondly, we must remember that there are no easy ways of finding a little bit of money here or a little bit of money there in some pocket or another, which one can funnel into Italy without actually feeling the cost oneself. Reference has been made to unexpended balances from this year's Regional Fund and Social Fund. There is a small unexpended balance in the Regional Fund, but the Social Fund, as I have just been saying and as the House very well knows, is one hundred million units of account down. We do not have any unexpended balance. We actually need a hundred million more, as I was explaining. So if we are to provide assistance for the earthquake zone, it is going to have to be real money and will actually have to be found, therefore, at the expense of some other purpose. There is no easy way of doing it, and we must operate within the realm of the possible while taking decisions which actually mean something to our pockets. That, of course, is absolutely how it should be.

Let us also look at the way in which existing instruments can be used and the way in which existing instruments can be developed and built up. There is, of course, — and I have this very much in mind — the integrated programme approach of the Commission. It so happens that a long time ago one was designated for southern Italy, and in Naples it is making steady progress as a pilot scheme. Now this is a pilot scheme, as I say, but it is the kind of thing which we need to take into account in our assessment, so that we can see how to make the best use of what we actually have available.

Mr President, I have covered a wide area. I have covered the 1981 annual budget and the 1980 supplementary budget. I have made a number of references to your own report from the Italian earthquake zone. I have tried to say something about your approach to the Italian earthquake problems. Obviously the debate will now take its course. I will listen to all that is said, and if need be I may very well ask your indulgence to intervene again.

IN THE CHAIR: MR DE FERRANTI

*Vice-President*

**President.** — I call Mr Patterson to speak on behalf of the Committee on Youth, Culture, Education, Information and Sport.

**Mr Patterson, draughtsman of an opinion.** — Mr President, as I only have three minutes, I will confine myself to three points.

First of all I formally move Amendments Nos 56 and 81, as Rule 29 of the Rules of procedure say I should. Secondly, may I thank the Council for accepting my committee's amendment to appropriations to prepare young people for their working careers. This is going to provide small but valuable help in particular to the young handicapped during next year's Year of the Handicapped.

Thirdly, could I make a plea to this Parliament to support Amendment No 55 which refers to the information policy of the European Community. The Commission originally asked for 10 million units of account — a very small amount — and published the programme saying what they wished to spend it on. The Council first of all cut it back to 7.2 million, less than this year's allocation and a cut in real terms of 15 %. The Council has now come back with 8 million which is still a cut of 5 %. Now the Committee on Budgets is asking for 9 million, which is a small increase.

However I think everybody has forgotten that in a few weeks Greece will be joining the European Community and all the basic briefing documents — maps, pamphlets, information brochures — will have to be republished in order to take account of a new Community member and a new Community language. Therefore the appropriation which the Commission asked for in the first place, and which my Committee supports' is an absolute basic minimum.

Yesterday, at Question Time, the need for basic objective information on the EEC became absolutely clear. Opinion polls in my country are showing opposition to Community membership. More significantly perhaps they are showing abysmal ignorance about what the European Community is and does. One recent survey showed that most people in the United Kingdom are willing to believe that there is a Community scheme to dye potatoes green. Well, as it happens, there is such a scheme to dye potatoes green, but it is not a Community scheme, it is a British Government scheme. Yet people will blame these things automatically on the European Community.

A more serious case is the matter of herrings. On television recently in my country there was a picture of a trawler being forced to dump herrings into the Channel because it had contravened the fishing regulations. Who gets the blame for this? The European Community does. Yet all of us here know it was at the insistence of the British Government that this regulation was brought in in the first place.

Could I then quote what a spokesman for my group said in the last debate. How long do we want to keep the European Community a secret? He said. It makes

**Patterson**

no sense whatsoever to vote hundreds of millions of units of account on policies to further the cause of the European Community and then begrudge one or two million pounds so that the people know what we are doing. I appeal to this Parliament to support Amendment No 55 when it comes to the vote on Thursday.

**President.** — I call Mr Galland to speak on behalf of the Committee on Energy and Research.

**Mr Galland, draftsman of an opinion.** — (F) Mr President, I listened attentively to Mr Santer speaking about energy, and as Mr Santer is a good orator I was wondering whether he was going to put his weak point at the beginning or at the end. I see, Mr Santer, that you in fact decided to leave your weak point — energy — until the last, which is certainly one tactic. You quoted a figure. You said that the Council has gone out of its way to increase commitment appropriations by 47·3 m EUA, adding that this in effect almost doubled them. Mr Santer, you are surely not unaware that the same Council — on the basis of what you say has been doubled — had reduced the commitment appropriations under Chapter 32 by 56 %, and the payment appropriations by 66 %, in relation to 1979. Under these circumstances, if you take as your base a figure that you have first lowered by 56 % and then say you have doubled it, you really get the feeling that you have achieved something. I think you should know, President-in-Office of the Council, that so far as energy is concerned, there is still a wide gap between Parliament and the Council, as I shall try to explain for your benefit.

To begin with, the Committee on Energy and Research has retabled a number of amendments that we felt were responsible and broadly speaking fitted in with the general principles you outlined earlier.

Firstly, we decided to reinstate Item 3.2.1.0 relating to prospecting for uranium within the Community. It is of little concern to us that there are political problems in the Council, that some states have no nuclear energy policy, or that others, like France, do have a nuclear energy policy and wish to do their own uranium prospecting. That is really nothing to do with us. In Parliament we have a political will, we want, as does the Commission, 20 to 25 % of our uranium requirements to be satisfied from within the Community, and we are showing our political will by retabling the amendment. I cannot say it plainer than that.

Another important amendment, Mr President, concerns Item 3.2.4.1. On Item 3.2.4.0 you have gone a long way towards meeting Parliament's wishes and we have therefore dropped that amendment. But on Item 3.2.4.1. — Programmes for the development of new energy sources — we have gone back to the preliminary draft budget. Why? If there is one item where the appropriations are justified, that is to say the 9 m EUA in payments and 15 m EUA in commitments,

then it is Item 3.2.4.1, where we know from the past that the Commission has really done a good job, cooperating smoothly with industry, where there are a series of projects capable of being exploited, and where there were very few carryovers from 1979 to 1980.

Naturally, Mr President, we have reinstated other amendments, too. With regard to Chapters 100 and 103 — and the point I am making is a general one — you said, if I understood you correctly, that the measure was interesting but the amounts involved were too high. Very well then, we will go along with you on that. In Chapter 100, instead of 100 m EUA we are now asking you for 25 m EUA in commitment appropriations, and in Chapter 103, instead of 100 m EUA and 50 m EUA, we are asking for 15 m in each case. But we are doing this simply to demonstrate an exemplary political will on the question of energy as regards new energy prospects.

Mr President, I will conclude by citing three amendments.

There is one in connection with which, quite frankly, we feel strong resentment. I refer to Amendment No 65 concerning Article 3.2.7 on energy balance sheets. It relates to energy aid to developing countries. You have given us an increase of 300 000 EUA and we asked for 2 m EUA in all. If we in the Community cannot find 2 m EUA for energy aid to the developing countries, then that is absurd.

I will end, Mr President, by underlining the importance we attach to Article 3.2.9, relating to interest rebates, which we have reinstated, as no legal basis exists as yet, under Chapter 100. We have kept to the original amount. If there is no legal basis, then we enter it under Chapter 100 until such time as it exists.

You know now, Mr President-in-Office, what is the political will of Parliament. We are waiting for you to give practical expression to the political will of the Council in the matter of energy, something that has been voiced on many occasions in the European Council, but which we have yet to see reflected in the budget.

**President.** — I call Mr Van Minnen to speak on behalf of the Committee on Social Affairs and Employment.

**Mr Van Minnen, draftsman of an opinion.** — (NL) Mr President, the combination of the second reading of the 1981 and the third reading of the 1980 budget, which is what the supplementary budget really amounts to, clearly shows how far this budget debate and the budgetary authority of this Parliament have in fact been undermined. Of course, they have also been undermined by Parliament's, which means our,

**Van Minnen**

submission in June and above all by the Council's obscure machinations. What we have here in this supplementary budget is a sudden windfall from above. The faithful may see in it the hand of the *deus ex machina*. It reminds me more of the fairy tale figure of Mother Carey, who, depending on her mood, drops glue or gold pieces from the sky. This time it is gold pieces, but there is still little sign of a budget policy.

In itself this windfall of a few hundred million units of account, of course, comes in very handy. You will not hear the spokesman of the Committee on Social Affairs and Employment say a bad word about it. We of the committee were all able to agree to the Commission's proposals and, without our meeting last night even later than the Committee on Budgets, I venture to say that we can endorse even more strongly the disbursement proposed by the Committee on Budgets, because it comes even closer to the original idea our committee had, provided, of course, that the social margin is increased as a result and not decreased or just pushed aside in budgetary terms.

The Committee on Budgets fortunately realized where the problem lies, in the Social Fund. Payments are now being arranged, and so that is all there is to it. Mr Dankert has already pointed out that assurances were given last year, namely the assurance by the Council that, if the payments required, this would be done. This year there is not so much as an assurance. Already this morning reference has been made to the threat of the Community's bankruptcy. I really believe that there is a threat of the Community going bankrupt, not only politically, but also financially, if we do not take care. So now we have this second, decisive reading of our 1981 budget and the supplementary budget for 1980 to repair the worst of the damage. Nothing more is at stake, but nor, at this moment, is anything less at stake.

The Committee on Social Affairs and Employment simply wishes to place the emphasis on some of the absolutely necessary repairs, repairs to such essential aspects of the budget as the vocational training of young people, the vocational rehabilitation of older people, the creation of jobs, a policy towards the handicapped and so on.

1980 and 1981 thus merge. A number of items are reinstated. There is also a merging of the liberties the Council has taken. It has been quite clear as regards 1980 and it is again quite clear as regards 1981: the Council says it is pursuing a social policy and at the same time loses credibility by withholding the necessary budget items. And I call that out-and-out European deceit. To tell people, as the Council does, that you want something and then let them believe that you will pay, just as they themselves do when they place an order, and then, when it comes to paying, to leave people out in the cold and to move on to pastures

new: that is what in fact the Council is doing. The question is, therefore, when will the Council finally realize that political commitments must also be payment commitments?

One thing at least, I hope, has now become clear to the Council, that the amounts which it originally deducted from the payment appropriations for the Social Fund this year — and that is expenditure which we now all know is essential — must be reinstated here and now. Otherwise, we shall have exactly the same story again at the end of next year and the least we can expect is that we will be spared this wretched, humiliating business next year.

And that is the only saving I wish to advocate in this context.

**President.** — I call Mr Herman to speak on behalf of the Committee on Economic and Monetary Affairs.

**Mr Herman, draftsman of an opinion.** — (F) Mr President, if there is today one priority above all other priorities, it is to deal with the economic crisis and unemployment, and the best way of dealing with this crisis is through an industrial policy. That is why I, on behalf of the Committee on Economic and Monetary Affairs, would urge most strongly the reinstatement of some of the modest appropriations set aside for industrial cooperation. I do so with all the more conviction in the knowledge that it would be, for the most part, existing programmes that would suffer — some of which are already bearing fruit — and that failure to allocate the appropriations requested would result in the money already spent being wasted.

Furthermore, these appropriations are intended to be used mostly to help narrow or try to narrow the serious technology gap that has developed between Europe and the United States and Japan. I refer in particular to the appropriations for data processing, sectors in difficulty, such as textiles, and those for the ceramics industry. The items in question are 3.7.0.2, 3.7.0.4, 3.7.2.2, 3.7.5.0, 3.7.6.0 and 3.7.6.1, and the amounts involved are for the most part really very small. If I stress these small amounts it is because the results that can be achieved with them are out of all proportion to the expenditure involved.

Judging the greater part of these appropriations by this standard I find that these are among the best, which means to say that for a given level of expenditure one can expect the maximum impact or effectiveness in the medium and long term.

That is why, Mr President, while remaining well within my allotted three minutes, I have been pressing so hard for the Council to retain these appropriations.

**President.** — I call Mr De Pasquale to speak on behalf of the Committee on Regional Policy and Regional Planning.

**Mr De Pasquale, draftsman of an opinion** — (I) Mr President, the Committee on Regional Policy met in Palermo the day after the earthquake, and I wish on this occasion to express, my appreciation to all its members for the great concern which they expressed. We were there for a meeting with the regional authorities of Southern Italy, but the earthquake opened up an abyss which not only affected the fate of hundreds of thousands of European citizens but also revealed the slowness, inefficiency, and hypocrisy of many measures, and indeed of our own debates as well. Big words like integrated operations, Mediterranean package, and structural intervention are at a vast distance from the reality brought to light by the most serious telluric disaster to strike Europe since the beginning of the century. If the regions of Southern Italy had not been left to fall into decline by Community and national policy, the scope of the disaster would have been considerably less. The hydro-geological breakdown, the inadequacy of infrastructures and services, the poor living conditions, and the absence of any industrial fabric were decisive factors in determining the heavy toll of destruction.

It is therefore a question of repairing not only damage caused by the earthquake, but also that arising from the unbalanced policies of the Community and of the Italian government. This, Mr Tugendhat, involves the direct responsibility of the Community. The effort of reconstruction and development that our country must undertake is immense. New and honest management is necessary to prevent the effort of the Italian people from being lost in speculation or dispersed in mere aid. The Community bears a responsibility both for the quantity and the quality of its intervention, because it has policies which directly concern the stricken regions. This is a clear appeal to the Treaties: the protocol on Italy states that 'the Community must cooperate in the redevelopment of the South'. If not now, when? And how? We criticize the decisions of the Council and of the Commission: it is not enough, ladies and gentlemen, to cooperate with a loan of a thousand million and a 3 % interest subsidy. Such a loan is obtainable anywhere, and the 3 % is a meaningless measure of ordinary administration. Aside from this, it is the attitude itself which is unacceptable: we will give you a loan and then shelve the matter. Measures are necessary which in their very application oblige the Community to engage in true cooperation, year by year, in the plan for reconstruction to be formulated by the Italian government. This can only be done with new and specific measures, and we intend to fight for their adoption.

**President.** — I call Mr Pedini.

**Mr Pedini, chairman of the Committee on Youth, Culture, Education, Information, and Sport.** — (I) Mr President, I am now speaking for the parliamentary Committee on Youth, Culture, Education, Information, and Sport. The committee, on the occasion of this final vote on the budget and even though it is no longer procedurally possible to modify what has already been voted upon, feels that the consequences of a vote which has considerably reduced the proposed increases for Chapter 3920 are very serious. The amendment in question was presented by the Committee on Youth and Culture and also approved by the Committee on Budgets. By only a few votes, it failed to receive approval in this House, even though it concerned the chapter dealing with programmes for education. I wish to make clear once and for all that we have no intention of going beyond the provisions of the Rome Treaty by introducing a new cultural or educational policy in an area which incontestably belongs to the national governments. We do intend to preserve the means necessary for implementing the decisions made in 1976 by the Council of Ministers concerning exchanges for teachers and young people, for language instruction and common university programmes. All these programmes, Mr President, are aimed at realizing one of the basic principles of the Rome Treaty: the free circulation of labour, to which differences in standards and in education, as well as linguistic differences, constitute real if invisible barriers. These barriers must be gradually removed, and it is precisely this aim which brings about our involvement in the educational sector.

It has not been possible to convince the Presidency and Secretariat of our Parliament of the possibility of presenting this amendment again. Its defeat was due to absenteeism and to an incorrect interpretation on the part of the European Democratic Group, whose president has now politely urged me to propose the amendment a second time. As we know, however, formal procedure does not permit this. For this reason I wish to say that as soon as possible we will make an initiative designed to inform the Parliament, through whatever procedures are necessary, of the consequences to be expected from this budget cut, and of the difficulties created for concrete programmes for common education and free movement in teaching. We will do this so that the Parliament, either during the sitting for the supplementary budget, if there is one, or during the drawing up of the new budget, will consider the urgency not only of accepting what we have proposed, but also of increasing the financial provisions. It makes no sense that the Community is able to find sufficient funds for economic, commercial, and agricultural cooperation, which are indeed important, and yet is unwilling to make concessions when it comes to providing the financial means intended for the development of the human protagonists of European integration.

The members of the Committee on Youth, Education, Culture, and Information, (I personally will only take

**Pedini**

part in the budget vote for reasons of parliamentary group discipline), in stressing their disappointment over what has occurred, have faith in your reconsideration and support.

**President.** — I call Mrs Castellina to speak on behalf of the Committee on Development and Cooperation.

**Mrs Castellina, Draughtman of an opinion.** — (I) Mr President, our committee unanimously decided to present all the amendments we originally proposed again, excepting of course the one concerning the International Fund for Agricultural Development, which was rejected by Parliament at the first reading.

This decision is perhaps extreme, for it was not a question of merely rejecting our proposal for a Community contribution to the International Fund for Agricultural Development, but rather of modifying it by requesting a minimal contribution, an amount so absurd that it deprives our proposal of all meaning.

Aside from the point which was decided by the Parliament at the first reading, we had decided to present all of our amendments again. The Committee on Budgets did not agree with our choice, and indeed rejected some proposals we had advanced, in particular those which were most significant. It reduced the amount intended for aid to non-associated countries — precisely those countries about which there has been the most discussion in Parliament — and it also rejected our request for an adequate appropriation for natural disasters.

It is futile to point out the absurdity of this decision, when we know very well that the amount earmarked for these items will already be used up in the first few days of the year. When the budget procedure has been completed, it will be obvious how little the budget is affected by this item. Under these conditions, Mr President, our committee does not know what position to adopt, since at the beginning of the discussion on the budget we had already issued a specific declaration, calling the attention of the Council, the Commission, and Parliament to the fact that to make cuts in the relatively moderate proposals we had advanced would be to render absurd the commitments formally made by this Parliament. I am referring in particular to those undertaken in the Ferrero resolution on world hunger, a resolution which is continually being quoted by the Council, the Commission, and the Parliament and which in these circumstances cannot be implemented. This is the situation in which we find ourselves, and for this reason I can do nothing but repeat our protest once again.

**President.** — I call Mr Antoniozzi.

**Mr Antoniozzi.** — (I) Mr President, I will mention very quickly the reasons for the request contained in motion for a resolution No 1-662/80 and for Mr Klepsch's resolution No 1-723/80. The first resolution, presented with the Italian Christian-Democrats of the European People's Party, includes a summary of the compelling motives for its presentation. It was presented on the morning after Sunday evening's tragedy, a terrible and unforeseeable event which destroyed people and their prospects, goods, and structures. The Klepsch resolution, which bears witness to the commitment of the European People's Party and of its parliamentary representatives, comes at a moment when it is possible to examine the effects of the first measures that were taken. The region concerned is nearly as big as Sicily or Belgium, and it includes nearly 500 communities located in mountainous and largely inland areas. It is receiving from the European Parliament not only an expression of human solidarity, but also the assurance that we will do our utmost to provide all possible aid. Europe has already shown itself to be sympathetic towards our needs, and for this we are grateful. It is certainly necessary to have a more precise picture of the situation in order to plan the measures to be taken, but it is also necessary to have a better and more concrete idea of the reality as a whole. We appreciate the first steps that have been taken, but we believe there is much more to be done. On the procedural level, the lending system in the Ortolì facility must be made permanent, and we will fight for the renewal of the NCI system.

The Italian government is making every possible effort, considering the magnitude of the disaster. We know that three types of action will be taken: first, the reconstruction of productive infrastructures, electrical, telephone and rail networks, and highways; second, reconstruction of social infrastructures: hospitals, municipal buildings, schools, etc.; finally, measures for economic recovery through loans and contributions for industry and agriculture. This is a useful occasion for a reminder that internal legal means must be created as soon as possible for receiving and coordinating internal, external, and Community aid.

We call upon the Commission to implement the plan for Naples, which is still bogged down in order to provide assistance to a region where the earthquake revealed old and new problems in a tragic and dramatic manner, as indeed occurred throughout the vast devastated area. We believe — as some parliamentary committees have mentioned and as Mr de Ferranti said very well a short while ago — that the political approach laid down by the Council at the recent meeting in Luxembourg is a good one in principle, but that the Commission should, through recourse to formal means, including the budget, provide a series of truly adequate measures, capable of solving the serious problems which have emerged as a consequence of the disaster. These positions can be better illustrated here today. Measures similar to those concerning inte-

**Antonozzi**

grated action could certainly be useful, but the real need is for a qualitative and quantitative effort which corresponds to the actual magnitude of the event. Our first impression is that the scale of Community aid is still greatly inferior to the scale of the disaster. The policy for Southern Italy, coordinated with regional and social policy, must be given new vigour. The urgency of the decisions to be made is at the root of our resolutions, which ask Europe for solidarity, concrete action, and rational, coordinated measures. We are here not only to ask for increases, but to affirm the rights and express the hopes of a poverty-ridden and grief-stricken people, who represent the heart of the south in a Europe which today should feel deeply affected by these events. The European Parliament, with its particular political sensitivity, will certainly be alert and permanently active in this matter.

**President.** — I call Mr Vitali.

**Mr Vitali.** — (*I*) Mr President, ladies and gentlemen, Mr de Ferranti has described the catastrophe which has devastated Southern Italy. It is unnecessary to add anything to his description: it gives a picture of a widespread disaster which is social and political as well as physical, and which has occasioned great demonstrations of popular solidarity together with inefficiencies, delays, and culpable failures to act which are the subject of a vehement political debate in Italy, Mr de Ferranti. I do not wish to dwell on this any further at the present time.

It does not seem to our group that the Commission has perceived the true nature of the catastrophe, which is exceptional from two points of view: firstly, the extraordinary character of the urgent measures necessary to provide for a long winter which holds in its icy grip a population largely composed of women, children, and elderly people; secondly, the total effect of the event on the country as a whole, whose budget will be severely restricted by the demands of reconstruction for years to come. It is in view of this that we consider completely inadequate not so much the appropriated amount as the normal 3% interest subsidy, a rather modest measure which, in our opinion, should be reviewed, and increased beyond the limits determined by the Committee on Budgets.

Beyond this immediate aid, there is also the problem of permanent cooperation in the work of reconstruction between the Community, and its various institutions, and the Italian government. The question cannot be closed today with an act of solidarity expressed solely in monetary terms. The event will inevitably leave its mark on the whole political relationship between the Community and our country, Italy, not only in the present, but also in the years to come.

Finally, I will touch on an aspect of this tragedy which has gone unnoticed, but only briefly, for it will be taken up again by other speakers. Let us ask ourselves how many human lives might have been saved if the hundreds of thousands of young people who were in Friuli had been present in Salerno, Avellino, Naples, and Potenza at the moment of the earthquake, instead of in Germany, France, and Belgium. The German, French, and Belgian population had a direct experience of the nature of this tragedy which did not come from televised pictures of the villages huddled against the sides of the mountains and of the desolate and barely cultivated fields which surround them. They also lived this tragedy in the days which followed when they saw their trains and their roads crowded with the long lines of emigrants: hundreds and thousands of farmers driven from that land over the last twenty years. This picture, Mr Tugendhat, raises the question of cooperation and co-responsibility concerning the means of reconstruction to be employed for southern Italy. It is a question we will go into later. Today, at the moment of solidarity, we only wish to call the attention of the Commission to the need for the level of aid and the conditions of the loans to affirm to the peoples concerned and to ourselves that there exists not only a Europe of goods and capital, but also a human Europe and a real Parliament, capable of acting to restore to these men their right to live, to work, and to enjoy the dignity of European citizens.

We say this not only as Italians and southerners, but also as Communists, and as Members of the European Parliament who demand for their electorate, our electorate, the rights and the duties of European citizens.

**President.** — I call Mrs Agnelli.

**Mrs Agnelli.** — (*I*) Mr President, I am speaking on behalf of the Liberal and Democratic Group. We are discussing appropriations for the areas devastated by the earthquake. I will tell you about my own experience. Immediately after the severity of the quake in Basilicata and in Irpinia became known, I decided to go with nurses from a Red Cross school to set up the field kitchen which we had already used in Friuli. In moments of crisis it is not easy to put all the equipment together: the gas for the kitchens, the special attachments for the gas, the thing needed for cooking during the first few days, water, lights, tents, cots, sleeping bags, boots. Nothing is worse in disaster areas than the arrival of helpers who are not self-sufficient. While the preparations were being made, the President of the Italian Red Cross indicated that he would not give the nurses permission to go, giving as his reason that it would be of no help for professional nurses to act as cooks. I was obliged to ask for direct intervention on the part of the President of the Republic to obtain this permission. We finally started out, lined up behind the symbol of the Red Cross, 24 male and female nurses

## Agnelli

and a dozen young volunteers, a tank truck sent by the town of Monte Argentario, trucks with equipment for the kitchens, vans, cars, campers, etc. This was on the morning of Thursday, 27 November. To the south of Avellino great traffic jams were building up, made up of lines of caravans obliged to wander hundreds of kilometres without any exact destination. The Italian press, and to some degree the foreign press as well, had begun the campaign of 'the government isn't doing anything: we will act ourselves instead; please don't give anything to the organizations, for you will only be robbed; we will give everything to the victims personally;' thus creating tragedy within catastrophe.

Italians and foreigners as well, in a surge of emotional and indignant generosity, set out by the thousands. Without exaggeration, tens of thousands of trucks and other heavy vehicles lined up on the roads leading south, loaded with all kinds of goods, from new clothes to Parmesan cheese, from vintage wines to windbreaker jackets, and once in the earthquake zone they wandered about searching for recipients for what they had brought. In the villages hardest hit by the quake the few warehouses which had not collapsed were either unsafe or inaccessible. Often, after hours or days of vain wandering the sleepless and hungry drivers simply dumped their goods in the street and left them in the rain, or carried them north again, or put them in storehouses belonging to private individuals who emptied them in ten minutes. Then the newspapers and the television showed and described to Italians and foreigners who had made generous contributions the great piles of clothing lying in the mud under the rain and snow and the tons of bread left out in the open to rot. The indignation was universal. In the meantime we had established ourselves at Calitri Scalo, a village of 6 500 inhabitants which was not particularly hard-hit by the quake, only a few people having been killed, but which was threatened by an avalanche caused by the quake and would possibly have to be evacuated. Once a shelter was set up and a generator in operation, which was later replaced by equipment lent by the Italian television network to employees who had asked for a week's leave for this purpose, our kitchen produced 1 500-2 000 hot meals three times a day. From the surrounding area came about 400 farmers, whose houses had collapsed and who were living in freight cars, not to say cattle cars, on the disused tracks of the Calitri railroad. Many people from Calitri who had been left without shelter came, and naturally also hundreds of helpers and volunteers, employees of the electric and telephone companies, soldiers, doctors, and young people from Caritas and the FLM who had been working for days without a hot meal. Nearby we had also taken over an open warehouse with a roof, where trucks which had been unable to dispose of their loads now began to arrive. They came from Friuli and from Florence, from the Marches and from Piedmont, each driver wearier and more bitter than the last. They had been insulted, attacked, told to go back where they came from, and above all not to unload anything more.

A man with a van told me that he had baked the bread and biscuits he had brought especially for the earthquake victims, and that he had been told to throw them in the mud. Two English boys had spent four days and nights at the wheel of the vehicle they had loaded with hundreds of wonderful quilted jackets; no one wanted them. Scouts came with cots, mattresses, and blankets, and were driven away. We gathered up everything and distributed it to those who said they needed it, certainly making some mistakes in the process. It rained, it snowed; there was fog in a region which was plunged in total darkness at 5 p.m., except for the blue light of a generator here and there. The road signs were left in confusion by the quake, bridges and viaducts were cracked, it was impossible to communicate without travelling for kilometres, and the press continued to rage over the delays, the lack of aid, the disorganization, and the absence of government action. Two weeks after the earthquake no more supplies were arriving, not even bread, and the ovens were no longer functioning for lack of electricity; the hot soup and cheese had to be served with crackers, and the wine was gone, while the first week everyone had been drinking Chianti Gallo Nero. Meat, even tinned meat, was getting scarce. I saw all sorts of things happen: a mayor jumping on a table to drive away the boys of the FLM, who had come splendidly equipped to help; an alderman telling people crammed into freight cars that 100 heated sleeping cars were arriving for them, and it was a lie. I saw well-equipped villages of tents which sat empty, and dozens of caravans which were never used. I witnessed threats, accusations, and thefts. It is not true however, ladies and gentlemen, that the people of Irpinia never say thank you. I saw two elderly men whose house had been destroyed and who were being cared for in a barn; they were insistent in wishing to offer something to the volunteers who brought food and blankets. I saw people who brought a little celery, or parsley, a sausage or a bottle of wine to the field kitchen to express their thanks.

I heard people say, 'you give to us, we give to you', offering a cabbage or an onion. After having worked for ten days in the open in severe cold, after sleeping in the open, without washing or sanitary facilities and without light, for what other reason did the 24 young Red Cross workers all cry when another team arrived to relieve them?

*(Applause)*

**President.** — I call Mr Ruffolo.

**Mr Ruffolo.** — *(I)* Mr President, I will make a few brief observations concerning the resolution which, in the name of other colleagues, we presented on the problem of the tragedy which devastated a large area of southern Italy.



## Ruffolo

The first observation, already touched upon by other speakers, concerns the truly extraordinary scope and intensity of this catastrophe. The second concerns the intensity and extent of the feeling of solidarity which it provoked, not only in our own countries, but in others as well. In this regard, I think that we Italians should offer a warm thanks to all those who gave us their support in these painful and tragic circumstances. The third concerns the serious, complete, and, I must say, disgraceful unpreparedness which the Italian government showed on this occasion.

As for the aid that the Community has decided to provide in consequence of such an appalling event, I believe I should underline, also in the name of my colleagues, the inadequacy of the measures adopted. I would like to point out that, if a preliminary estimate of the damage caused by the earthquake in two large zones of the Italian Mezzogiorno arrives at a figure of 12 billion, then Community aid — the 40 000 million in direct aid and the indirect aid from the 3 % interest subsidy on 1 000 million EUAs — represents somewhat less than 2 to 2.5 % of the total damage suffered in those regions.

I believe these measures to be totally insufficient. In terms of percentages, they represent an even smaller contribution than that made by the Community for aid to the Friuli-Venezia Giulia region. This is why we included in our resolution the demand that the form and extent of Community aid be reviewed as soon as possible in the light of a more exact estimate of the amount of the damage.

Another consideration, Mr President, concerns the desirability of utilizing for aid and reconstruction in the stricken areas not only the new and supplementary funds but also a large part of those already earmarked for Community structural funds. This could be accomplished through revision of the RDF programmes, the Social Fund, and the EAGGF.

Another factor which we believe to be of fundamental importance is the risk of waste and disorder which may spring from the allocation of financial resources if they are not put into a framework of precise programmes. We must call upon the Italian government to present as soon as possible a coordinated plan of reconstruction and development for the areas devastated by the earthquake so that the aid contributed on the basis of the financial resources requested from the Community may be coordinated with the aid financed by the Italian government. The action for reconstruction and development must not proceed blindly, lest it be submerged in party politics and patronage, but should rather be conducted on the basis of definite and established plans. It would also be useful to establish a special coordinating body, as proposed in our resolution, to act as a liaison between the Commission and the Italian government and to see to the distribution and payment of the sums to be used for construction.

Finally, I would recommend that a large part of this aid be destined for the organization and strengthening of the technical and planning capacity which the affected regions will need in order to be able to use the funds which will be given to them. If there are limitations, they are to be found not so much in the amount of financial resources as in the capacity for using them.

I conclude, Mr President, by observing, as other speakers have done, that the earthquake which struck the Italian Mezzogiorno did indeed provoke a widespread demonstration of emotion and generosity. But this impulse must not exhaust itself within the next few weeks; it must not remain part of a national and Community policy which rejects and alienates the poorest regions of the forgotten edges of the Community. We must remember the poor villages of Irpinia, Basilicata, of the Mezzogiorno not only when they are stricken by earthquake but also when we vote on the Community budget, a budget which is completely incongruous in respect to the needs of the poorest regions of the Community.

**President.** — I call Mr Fanton.

**Mr Fanton.** — (*F*) Mr President, the speeches we have heard this morning — especially those by our Italian colleagues — will not have failed to move all of us who are deeply concerned by the earthquake disaster in Southern Italy. But what we in this House want to do more than anything else is to see to it that the aid we are able to provide is truly effective. That, I believe, is what this debate is about, and I should like to look in more detail at one or two of the points in the resolution we have put down. I should like first of all to urge the Commission to take special care that the first instalment of 1.5 m EUA in financial aid and the food aid, consisting of cereals, meat and olive oil in particular, really does reach — and I hardly think that anyone will be offended by my use of the word ‘really’ — that it really does reach those for whom it is intended. It is a point of honour for the Community and a question of effectiveness for our Italian friends. The Commission should also speed up the delivery and distribution of this aid and I do not think that there is any need for me here before Parliament to call on the governments of the Community and the peoples they represent to make a very special effort to bring succour to the deprived communities in Southern Italy. We naturally approve of the Commission’s proposal to issue a loan of one thousand million EUA to finance the reconstruction of the devastated areas. But here again we should want to see our joint effort bring positive and quick results, and for that the Commission would need to monitor how these funds are used to ensure that the populations concerned are not placed in the same position as victims of other disasters who, unfortunately, have still not been able to return to a normal existence, as they might by now have expected to do.

**Fanton**

I also wish to draw your attention to another point in our resolution, which asks the Commission to examine — and when I say 'examine', it is not in this case a formula that I am using, because in my view the Commission all too often takes an interminably long time to examine proposals; often it is as if they had never existed — we are therefore asking the Commission to examine and approve the suggestion to set up a task force which would go into action in the event of a disaster striking any Community country. It could be an earthquake, as in the present instance, or any other kind of disaster. This task force, composed of experts, would be ready to move immediately into the disaster area to implement whatever urgent relief measures were necessary. It seems to me that this is a must for the Community and the Commission should give effect to this proposal as quickly as possible.

Finally, we should like to see an emergency relief force set up which could intervene immediately in the event of a disaster occurring. We have in fact observed on this occasion, but we had already come to this conclusion on the basis of what we had seen before, and not only in Italy, that the essential factor is often the speed with which public authorities react. We can do nothing to prevent a natural disaster, but we can do something to reduce as far as possible the seriousness of its consequences. Now, as we have seen with this latest disaster, it is often the delay in bringing relief to the victims that has aggravated the disaster and also its effect on everyone concerned. That is why we would like to see an emergency relief force set up. I am convinced that all the governments of the Community would be prepared to provide the necessary practical and financial support. That is the purport of the resolution which we have put down and which we hope Parliament will adopt.

**President.** — I call Mr Prag.

**Mr Prag.** — Mr President, I want to speak exclusively about a concrete proposal in my resolution, namely, the proposal in paragraph 3 for a European Disaster Relief Force. It is appropriate that it should come immediately after the previous speaker, because he has proposed virtually the same thing. The rest has, I think, already been said and may indeed be said again by others during the debate. However, it is time we were able to ensure immediate action on a European — and I mean a European Community scale in disasters of this kind. People who are in dire need, people who are suffering, should not have to wait a week or ten days in their misery before adequate supplies arrive, and I am not speaking solely about the recent earthquake disaster in Southern Italy.

Listening to your report, Mr President, about supplies piling up around the motorway I was reminded of a certain paragraph which said: 'The most urgent single need in disaster relief is to break the bottleneck which

invariably occurs between the main airfield or port' — in this case, of course, it was a motorway — 'and the people who are actually suffering. This problem of getting from B to C has been the principal defect in relief work in all recent disasters. Supplies have piled up at the point of entry, largely for lack of vehicles'. I was reminded of it because I wrote it myself five years ago — five years and how many disasters ago — and yet exactly the same thing occurs now in yet another disaster. Surely we can do better and surely we have in the European Community the means of doing better. The Community is, as we have heard, ready to make a very substantial contribution in supplies and funds. It should also be able to meet the need for effective distribution on the spot.

If the earthquake has proved one thing, it is that no single Member State has the capacity or resources to cope with such disasters. The United Nations might be better in theory, but it is clearly not equipped to operate such a force. NATO clearly could operate it, but many people would, rightly or wrongly, object to NATO organization and operation in this field. The Community on the other hand is concerned with peace. A substantial number of Western European countries which are not members of NATO would be able to cooperate. Ireland is a member of the Community. Norway, Sweden, Finland, Switzerland, Austria and Yugoslavia already cooperate with the Community in specific fields and would be able to cooperate in this field.

The disaster force would consist of existing defence units and would therefore be an inexpensive, indeed virtually a no-cost operation. It would consist of longhaul aircraft, heavy-load helicopters, lorries and shallow-draught boats and should be capable of being mobilized immediately. It should be specially trained and equipped, and certainly the units concerned would be better off training for disaster relief than sitting in their barracks. I know that the military concerned would be very happy to see their units doing disaster-relief training of this kind.

The great defect of the Community in recent years, Mr President, is its reluctance to plan ahead and organize. It reacts usually very late and sometimes too late. A European Disaster Relief Force offers a unique opportunity to carry out humane action promptly to avoid much human suffering of the kind that has occurred in Italy and that has been so well described in this debate, but it also offers an opportunity to show that the European Community is capable of deeds as well as words and of providing action as well as funds. Above all, Mr President, let us not wait for the next disaster to reveal exactly the same shortcomings before the Community acts.

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

**Mr Dankert.** — (NL) Mr President, on behalf of the Socialist Group I should like to say a few words about the draft budget the Council has submitted to us. It is not easy at this stage to say with any certainty how our vote will go on Thursday, because our position is still extremely uncertain. We shall be having the conciliation meeting with the Council tomorrow. As I said this morning, a further complication is the link between the 1980 budget, the 1981 budget and the proposals of the Committee on Budgets as regards the supplementary budget for 1980. As it is not possible for this debate to be held after the consultations with the Council, I will endeavour to make a number of comments in this somewhat uncertain atmosphere.

Mr President, it cannot be denied that the Council did better on 24 November than in September, although in my view this was certainly as much due to the reverse procedure used for the second reading as to greater willingness on the part of the Council. Be that as it may, progress has been made compared with September, and the Council can certainly be told of this. I feel that this progress has been made above all in three areas, as Mr Adonnino has already said. The Budget Council has at long last, I might say, realized that agricultural expenditure forms part of the budget and has shown that this is so by not rejecting two amendments proposed by Parliament out of hand, if I may put it that way. This is something new, and it is to be welcomed. The importance of this development cannot be overemphasized. If this breakthrough had come a year earlier, we could probably have saved ourselves the trouble of rejecting the 1980 budget, but fortunately that is a thing of the past. As regards the future, if this development continues, there is hope that the Finance Ministers will play a rather different role in the difficult process of restructuring the budget from that of passive observers of the agricultural scene. And there is a very real need of that for the Community's future. I also realize that such decisions have already been taken by the Council because we are now coming to the very end of the Community's own resources. Once again: that is the stage we have reached, and this is important enough for it to be said. Mr President, this does not mean that the majority of my group are now satisfied with what has been achieved in this respect. The majority would have much preferred to see the Council of Finance Ministers raise the payment appropriations for 1981 to the level fixed by Parliament at the first reading, so that the Agriculture Ministers meeting in March or thereabouts would have lacked the freedom of movement to take price decisions the cost of which could not be met by savings in Chapters 6 and 7. The Council was not prepared to accept this. On the contrary, it has itself removed or refrained from increasing substantial payment appropriations for 1981, which it would automatically have faced as a result of the decisions on commitment appropriations for the regional and social policies, for example, a subject to which I referred in connection with the supplementary budget for 1980.

This makes it all the more necessary for Parliament to confirm what it said on 6 November, that supplementary budgets designed to benefit the present agricultural policy and the price decisions yet to be taken will be rejected by this Parliament. For my group that is a condition for its support of the Adonnino resolution. Perhaps I should at this stage tell the farmers' lobby once again that we are not adopting this approach because we are opposed to the common agricultural policy. To quote a headline in *The Economist*: 'Don't end the CAP but mend it.' Our approach is due to our belief that, particularly at a time of scarce budgetary resources, those resources must be put to optimum use and for a specific objective, because that is the choice we face: to use the resources we have with an eye to the future or to continue spending them on a policy which everyone can see is not solving agriculture's problems but is nevertheless consuming an increasing share of budgetary resources. Mr President, when I consider what the Council has done with the appropriations the Commission requested for the industrial policy, when I see what is left of this Parliament's proposals with regard to the Community's energy policy, the only conclusion I can draw is that the Council is worried about the future. With a few million EUA, a fraction of the cost incurred in connection with the structural surpluses under the EAGGF, major impulses could have been provided for a new policy. It was not to be. The Council continues to complain about Japan, about the difficulties in the textile industry, about goodness knows what else, but it is making no attempt at all at Community level to turn the tide and safeguard the future. I sometimes wonder in all sincerity what the Council of Ministers of the European Communities still has to do with the European Community. Immobility and deterioration seem to characterize the state of today's Community.

That is the way things are, and we cannot solve this problem during this budgetary procedure. But we still have the duty to provide impulses and to be prepared to fight the Council over them. Not a senseless fight over powers, but a fight over the future cooperation that is essential for our political, social and economic survival in Europe. It is this willingness which makes this budgetary procedure so unclear. The 1980 supplementary budget, the draft 1981 budget, the ECSC levy, aid to Italy — Commissioner Tugendhat has already said that what is at stake here is not the items under Article 3412, but policy. As a result of the Council's half-hearted attitude we now face a budget with a serious shortage of payment appropriations for the very policy which the Socialists have always advocated so strongly, policy to the benefit of people and regions in Europe who are in danger of losing or have already lost the battle for a decent standard of living. In a situation of this kind even a budgetary purist, as I happen to be, is prepared to sacrifice his ideas on the transparency of the budget for once to the benefit of what I consider to be really import. Mr President, I said this morning on the subject of the 1980 budget

**Dankert**

that the utilization of the resources still available to us within the 1980 margin for manoeuvre must also be regarded as an attempt not to make the talks with the Council tomorrow impossible but to concentrate them on Parliament's priorities in the fields of development aid, social measures, steel and the energy policy. The Council's decisions of 24 November and the margin still available to us mean that with some goodwill on the Council's part some measure of agreement can be reached. But I repeat, Mr President, there will have to be some developments. The Council must first give its word and keep its word when it comes to areas so often proclaimed by the Council and the European Council, such as development aid, energy policy and industrial policy, to name but a few. Mr President, the Council is principally to blame for the fact that Europe is suffering what I would call a 'credibility crisis'. It is therefore up to the Council to join with us in trying to take the first step towards getting out of that crisis again. The steel crisis provides — unfortunately, it must be said — undreamt — of opportunities for this. This evening we shall know whether these opportunities are to remain mere dreams. I cannot therefore commit myself on the position my group will adopt tomorrow on the steel problems, because we first want to know what direction the Council's decisions — if there are in fact any decisions — will take.

Mr President, just a few words on food aid. The Adonnino resolution adopted by the Committee on Budgets makes it seem as if food aid is a cornerstone of the Community and a pillar of development cooperation. But it is not like that. Food aid is still too much of an offshoot of our agricultural policy and too little of a development instrument for the Third World. Of course, as long as there is need, and as things now stand, it looks as if there will be need for decades to come, it must be alleviated. I am thinking of future aid in the form of cereals, an area in which the Community must certainly do more than it has in the past. Food aid must not stand in the way of the continued development of what I would call development aid policy, and here I am thinking of the opportunities for at last getting aid to non-associated countries, for example, off the ground. I also feel that differences of classification must not be allowed to stand in the way of a useful dialogue between Parliament and the Council on the extent of this food aid. What I am saying is that, although we are perhaps getting away from the problems connected with the 1981 budget as this budgetary procedure continues, there are still very many differences of opinion between Parliament and the Council to be overcome. This year, as has already been said, these differences concern the problems connected with the relationship between commitment appropriations and payment appropriations, it being clear, and the Council itself has in fact acknowledged this, that it is insane and impossible to apply the same percentage to commitment appropriations as to payment appropriations. This is something we were constantly hammering away at last year. At that time the Council in fact refused to accept our point of view.

Now the various rates of increase proposed by the Council prove that Parliament was right and that new solutions are required here.

Mr President, this is the problem of classification, of compulsory and non-compulsory expenditure, terms which really do have their absurd aspects. The Treaties are not in the dock. We are talking about a way of imposing certain restrictions on Parliament, restrictions which give the lie to the seriousness of the budgetary procedure. Such problems must be solved after tomorrow. As far as I am concerned, we can go into the conciliation meeting tomorrow with an open mind.

**President.** — I call Mr Konrad Schön to speak on behalf of the Group of the European People's Party (CD Group).

**Mr Konrad Schön.** — (*D*) Mr President, ladies and gentlemen, although the Group of the European People's Party was disappointed by the 1981 budget first submitted by the Council — we even referred to it as a challenge — we have faced the budgetary procedure with an open mind and determined to fight the Council for reasonable compromises from our conception of what is right. The President of the Council himself said this morning that he did not want a conflict to the bitter end or even to the point of rupture, and that is our position too. Where a budgetary authority consists of two parts, a conflict can be overcome only if the other side, in this case the Council, reacts satisfactorily to our self-image and our demands. The President of the Council has admitted — we note this with satisfaction — that Parliament has had a very great influence on the Council's deliberations. In other words, unlike last year, the Council appears to have realized that this Parliament has a political will, and this will culminates in the realization that the European Community is more than just an agricultural Community as it has been in the past: it is also a political, social, economic Community, which we intend to develop. This will succeed only if the Council begins by taking its own decisions seriously — whether it takes them within the Council or within the European Council — and also has the will to develop new policies with Parliament.

As regards the agricultural sector, the Council shared Parliament's view, to quote Mr Santer. We welcome the fact that the Council has agreed for budgetary reasons to make at least a modest start on the improvement of the situation in the agricultural sector, in Chapters 6 and 7 and also by means of the 2 % linear reduction which we proposed. But we must insist that we now make a start on the actual reform, without questioning the principles of the common agricultural policy — that is not what we want at all. The beginnings were the result of pressure from Parliament.

## Schön

The same also applies to the demand we made last year regarding the inclusion of borrowing and lending activities in the budget. Here again it would definitely be a good thing for the Council to continue its deliberations. If budget rules stand in the way, we are obviously having to work to some extent in 1980/1981 with instruments that were developed at a completely different time and are perhaps in need of reform.

The President of the Council also said that the gap between the positions on the priorities set by Parliament had narrowed. This is true of some sectors, where efforts have been made to find an acceptable compromise. But it is not true of the energy sector, where the gap between the Council's and Parliament's ideas is still very wide despite the doubling of the original estimates, and this must be discussed as part of the continuing procedure relating to the initial policy, the Social Fund in conjunction with the Regional Fund, as the previous speaker has already said. On the commitment appropriations the gap has narrowed, and this should be noted.

As regards the Regional Fund, 95 % of which does after all benefit the activities and measures of the national governments, we constantly hear from the Council — in other words those self-same governments — that the level of resources requested and called for by Parliament is not necessary. This too should be discussed. Many of the difficulties in the Community are caused by the problem of the transfer of resources, because the aim is to achieve convergence or equalization between the relatively rich and the poor regions with the aid of the regional policy, the Regional Fund.

Another point I should like to raise on behalf of my group concerns the European Coal and Steel Community and that 112 m Parliament called for under the social policy. A decision will not be taken on this until tomorrow. At least the Council included a token entry, and we look forward with great interest to hearing the figures that result from the conciliation procedure. Here again we can but emphasize that we cannot, on the one hand, declare a manifest crisis in the steel industry and even invoke and apply Article 58 and, on the other, with the Commission demanding well-founded additional measures for the steel workers, simply leave it at a budget line of this kind.

A great deal could be said about the dispute over the maximum rate. My group takes the view that there must be genuine cooperation. We must go on looking for appropriate compromises with the Council, the other part of the budgetary authority.

We of the EPP share the view that thought should not always immediately turn to supplementary budgets. With a reasonably well organized general budget it even ought to be possible to absorb the price increases in the agricultural sector. The principle must continue

to be in the future — on this I agree with the previous speaker, Mr Dankert — that supplementary budgets do not represent reasonable financial and budgetary policy whenever these price increases are made.

My group naturally endorses everything that was said this morning on the problem of aid to Italy. We feel that we of the EPP Group should accept the proposals of the Committee on Budgets. This is more than a mere act of European solidarity: it is an indication of the need for the Community to arm itself for difficult years to come, especially as, with the imbalances that exist in the Community, it will usually be the poorest regions which are hardest hit by such catastrophes. What I have said on behalf of my group has shown, I believe, that from the first reading until now, shortly before the termination of the budgetary procedure, my group has abided by the priorities — I say this to the President of the Council — which consist in endeavouring to help shape the budget in a spirit of realism and with a sensible view of what is financially possible.

**President.** — We shall now suspend our proceedings until 3 p.m. The House will rise.

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

IN THE CHAIR: MR P. MØLLER

*Vice-President*

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

### 5. Approval of minutes

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

Are there any comments?

The minutes are approved.

### 6. Votes

**President.** — The next item is the vote on motions for resolutions on which the debate has been closed.

We shall begin with the *Gatto report (Doc. 1-688/80): Agricultural provisions of the Act of accession of Greece to the Communities*

**President**

(Parliament adopted the preamble and paragraphs 1 and 2.)

On paragraph 3 I have Amendment No 1 by Mr Sutra seeking to replace this paragraph by the following text.

3. In view of these serious reservations, will consider this at its January 1981 part-session so as to consider the problems in the presence of the Greek Members.

I call Mr Ligios

**Mr Ligios.** — (I) Mr President, I speak as a member of the Committee on Agriculture, and I oppose Mr Sutra's amendment. We are in favour of the report as presented by Mr Gatto and then approved in committee, where, I would remind by colleagues, Mr Sutra made no objection whatsoever. I am therefore firmly opposed to the Sutra amendment.

(Applause from various quarters)

(Parliament rejected the amendment and adopted paragraph 3 and the resolution as a whole)

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**President.** — I put to the vote the *motion for a resolution contained in the Dankert report (Doc. 1-703/80): Compensation to Greece.*

(Parliament adopted the resolution)

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**President.** — We shall now consider the motion for a resolution contained in the Battersby report (Doc. 1-166/80): *Special Committee of Inquiry concerning the EAGGF Sector*

(Parliament adopted the preamble to the end of recital (b))

On recital (c) I have Amendment No 1 by Mr Battersby seeking to replace this recital with the following text:

- (c) Conscious of the need to guarantee a fair income for family wine-growers,

I call Mr Taylor.

**Mr John Mark Taylor.** — I can simply advise Parliament that the rapporteur, Mr Battersby, is against all six amendments, and I would urge Parliament to vote in accordance with Mr Battersby's wishes.

(Parliament rejected Amendment No 1 and adopted recitals (c) and (d))

**President.** — On recital (e) I have Amendment No 2 by Mr Martin and others seeking to replace the recital with the following text:

- (e) Aware that this enlargement of the EEC would have extremely grave consequences for wine-growers

(Parliament rejected Amendment No 2 and adopted recital (e). It then adopted in succession paragraphs 1 to 3)

On paragraph 4 I have Amendment No 3 by Mr Martin and others seeking to replace this paragraph with the following text:

- Requests a prohibition on the manufacture of alcoholic products imitating wine;

(Parliament rejected Amendment No 3 and adopted paragraph 4)

After paragraph 4 I have Amendments Nos 4 and 5 by Mr Martin and others seeking to add the following new paragraph:

- 4a. Calls for a proper definition of rosé wine and stricter control over the way it is obtained;
- 4b. Requests that it be made compulsory to indicate the producer country for all table wines originating in a Community State, whether they are sold in the producer country or exported;

(Parliament rejected Amendments Nos 4 and 5 and adopted paragraphs 5 to 9)

On paragraph 10 I have Amendment No 6 by Mr Martin and others seeking to replace this paragraph with the following text:

10. Calls for the proposals for enlargement to be finally rejected;

(Parliament rejected Amendment No 6)

I call Sir Peter Vanneck on a point of order.

**Sir Peter Vanneck.** — Mr President, we have just wasted a lot of Parliament's time on amendments put forward by Mr Martin. Mr Martin is not here. I would like to draw the attention of the House, and the press, and the public to the arrogance of people who put forward amendments and then do not come even to vote on them. I really feel that if people do not come to vote on their amendments they should be called on by the chair to indicate their presence and if they do not appear their amendments should fall automatically without our time being wasted on a vote.

**President.** — I do not think that there is any reason to waste time discussing whether Mr Martin should or should not have been present. He is entitled to table amendments.

I call Mr Baillot on a point of order.

**Mr Baillot.** — (F) I do not wish to take up much of Parliament's time but I must say that I find Sir Peter Vanneck's remarks quite uncalled for, for the simple and good reason that, when a few moments ago the rapporteur was called and found to be absent, we did not feel the need to challenge Mr Ligios's statement on this subject. I simply want to say that Mr Martin tabled some amendments which were not his alone but were tabled jointly with a number of his colleagues among the French members of the Communist and Allies group. That is all. Really, this statement was pointless!

**President.** — Mr Baillot, I would point out that we have in fact voted on Mr Martin's amendment. Even if he were not present his amendment must be put to the vote.

*(Parliament adopted in succession paragraph 10, paragraphs 11 to 16 and the resolution as a whole)*

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**President.** — We shall now consider the *motion for a resolution contained in the Cronin report (Doc. 1-610/80): European Regional Development Fund*

*(Parliament adopted the preamble and paragraph 1)*

After paragraph 1 I have Amendment No 1 by Mr Gendebien seeking to add the following new paragraph:

- 1a. Considers that, pending the next overall review of the ERDF Regulation and the establishment of objective criteria for a genuine Community regional policy, the fixing of a 15 % quota for Greece must be accompanied by purely linear and proportional adaptation of the quotas of the existing nine Members of the Community;

What is the rapporteur's position?

**Mr Cronin, rapporteur.** — This is the only amendment to the motion and I regret that I cannot accept the amendment from my friend Mr Gendebien on the grounds that the amendment has already been rejected at committee level.

*(Parliament rejected Amendment No 1 and adopted paragraphs 2 to 14)*

**President.** — I call Mrs Hammerich on a point of order.

**Mrs Hammerich.** — (DK) Mr President, if we vote against the motion as a whole, despite a number of aspects which we find attractive, then it is because this is the only opportunity we have of showing our profound dissatisfaction with the Commission's proposal, insofar as our own country is concerned. Already as things stand initiative, responsibility, imagination and financial resources that might have been applied to regional planning by the Danish State in our own country can be diverted to the Community's Regional Fund. Every time we pay 266 kroner to the Fund we get back 120 kroner. And now the Commission proposes that this distortion be aggravated and that we should get back only 80 kroner. That is why we shall vote against the motion for a resolution as a whole.

**President.** — I call Sir Peter Vanneck for a explanation of vote.

**Sir Peter Vanneck.** — Mr President, I am going to vote for the report as a whole because Amendment No 1 was not carried, and I take the opportunity of this explanation of vote to say once again that I was appalled that Amendment No 1 had no votes in favour including or, as it were, excluding the proposer of that amendment. I just want to re-emphasize once again that whereas a rapporteur can have, as on the previous report, somebody who is acknowledged to be substituting for him, somebody put down an amendment and did not bother to come to the House to vote for it when it came up in this plenary session.

*(Parliament adopted the resolution as a whole)*

#### *7. General budget of the European Communities for the financial year 1981 — Earthquake in Italy (resumption)*

**President.** — The next item is the continuation of the debate on the draft budget for 1981 and a number of reports and motions for resolutions on the earthquake in Italy.

Because of the changes in the agenda we are seriously behind in our schedule. I would ask all speakers to note that the debate on the budget will be closed at 7 p.m. precisely.

I call Mr Taylor to speak on behalf of the European Democratic Group.

**Mr J. M. Taylor.** — Mr President, in view of what you have said, I shall curtail my remarks.

### J. M. Taylor

We address ourselves to a position where, as the previous speaker in this debate, my friend Mr Schön, told us, there was still much business pending. There are still many variables, although I am optimistic that matters will be resolved before the end of this week. As Mr Tugendhat reminded us, these variables include the *virement ouvert*, the supplementary budget No 2, the social money, the steel money, the terrible tragedy of Italy, — where I know all members of my group and all Members of this Chamber would want to be associated with the words that have been expressed — the 1981 budget itself, with the conciliation that is pending tomorrow; and if I may use the vogue word, the 'linkage' that exists between all these issues. And so we face an order-paper with 14 reports and motions, and we are told that the maximum rate, according to the version you choose, is somewhere between 11 % and 20 %. No wonder that the previous speaker said that much is still pending!

Meanwhile, I want to add a slightly unfashionable note of caution, and that is to ask this House to beware of the practice of raiding the unexpired budgetary potential of the outgoing year. I know that various people have said that this is ingenious, and credit has been given to those who devised the idea. It is an expedient in this last year of the present budgetary practice, and in fact my group will support it; but supplementary budgets generally are not to be welcomed. We have been critical in the past when they have been employed to use up unexpended resources in the agricultural sector, and now we seem to be using much the same practice with enthusiasm in, for example, the social sector. There is an irony in this, and it is an irony which the Parliament should recognize and which it should beware of.

By the same token, I am sure that other members of the Committee on Budgets will understand if I say next that we want to impress on all the institutions of this Community that budgets do mean resources, they do mean the wherewithal to get things done, but they also mean discipline and limitations. When the institutions of this Community bid for resources, they should do so with their best skill, and if they can get the resources for what they think are their needs, good luck to them! But if they cannot get the budget any of the lines that they would have wished for their ambitions, then bad luck! They must live with the appropriations they obtain, and they must not spend in defiance of those appropriations in the cynical belief that they will be able to retrieve the position in a supplementary allocation at the end of the year. I say to those institutions, you won't do it, you have seen a practice emerging in the Committee on Budgets already and my group openly acknowledges its part. We shall deny you, and you must bid properly in the first place and live within your budget thereafter.

Mr President, let me draw these provisional remarks at this stage in this debate towards a conclusion by saying that I think there has been good progress this year and

I am reasonably optimistic of the outcome. We have seen progress in the Council's agreement to go with the Parliament on two very important modifications to the compulsory portion of the budget; we have seen a start on the budgetization of loans, and we have seen a willingness on the part of the Council to meet the Parliament, expressing itself in the Council's going beyond the margin on payments itself in November. In short, I agree with Mr Tugendhat that we have seen the consultation procedure in the last few weeks operating very much more realistically than it has done before and offering us the prospect of better relations among the institutions in the future.

I want to recall a remark I made in the debate on the first reading of the budget. I said then that I felt that Parliament had got to learn to develop a more cogent transition from its first reading to its second reading. In the first reading we seem to gather together everybody's good ideas and pile them high, and then the Council injects the realism and we begin again. We should not begin again with our second reading: it should be a natural sequence from our first reading. This Parliament should improve its techniques. This Parliament should recognize, if it doesn't already, that it is far from being, as many people say, short of powers. This Parliament has the purse strings: it can amend, it can modify, it can reject, it can accept, it can discharge budgets; it can dismiss the civil service and, if the isoglucose decision is to be believed, it can veto the executive too. There is no shortage of powers in this Parliament, merely the maturity of knowing how to use those powers and, in particular, its main and most sacred powers under the Treaty in connection with the budget.

Those of us who came to this Parliament for the first time in July 1979 have never known what it is like to be without a budget that needs to be put in place. We have never yet experienced a budget settled in December. We have never entered the new year free of budgetary pressure. We have in fact been through the Treaty budgetary procedure three times in 18 months. This time next year, I hope and trust that we shall be looking at a budget which has received the benefit of the Commission's review under its mandate — a whole new set of operations with, I trust, a better balance and perhaps a different set of procedures in some particulars.

On behalf of my group, in what I hope will be my last speech on the 1981 budget, I should like to conclude by thanking Mr Ansquer for his good work and Mr Adonnino for his vital and important work as the main rapporteur. I hope that they will enjoy their Christmas holidays in the knowledge that their tasks are done.

(Applause)

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



**Mr Spinelli.** — (I) Mr President, since time is short, I will do as my colleagues have done and speak only on the budget for the Commission, that is, the operating budget. I would first, however, like to touch briefly on an item in the budget of Parliament.

In the Parliament's budget we have approved for the second time — or rather for the third time, since there was a budget which was rejected and then voted on again — an item on monetary compensation for members of the European Parliament which was merely a token entry. I hope this has occurred for the last time, and that by next year Parliament will realize that in all self-respecting parliaments the members are paid from the parliamentary budget itself and not by another authority. We are still in this transitory situation, and in order to change it we do not need — as our Committee on Legal Affairs seems to think — to request the Council to approve a regulation saying that Members of Parliament are to receive a certain salary: we need only to enter a sum in the budget, a sum specified according to precise criteria which may be the same as those followed by the Council. I hope, therefore, that this anomalous situation will be brought to an end.

I will go on to the budget of the Commission, that is, to the activity of the Community. I would especially like to express my admiration of Mr Adonnino and Mr Dankert, who are unfortunately not present, for their great skill in what Mr Adonnino called budgetary engineering! They gave proof of great ingenuity, considering the conditions under which they had to work. I see that 2% of the EAGGF Guarantee Section is now in reserve, and this is considered to be an extraordinary success. I really do not understand why it should be so considered, for this reserved sum must in effect be used if the workings of regulations and prices demand it, and it will certainly not be enough to cover the price increases foreseen by the Agricultural Council for the coming spring.

Mr Adonnino expressed satisfaction because the Council finally included some token entries for things it has not yet decided upon. Once, several years ago, Parliament fought against token entries, urging that each item have a corresponding amount earmarked for it. Now we have arrived at the point where we think the inclusion of a token entry for a programme which perhaps may not even be put into effect is a great advantage, though the Council in reality makes no commitment to act upon it. One of the things that astonished me was the satisfaction shown over the fact that the Council promises us to include the discussion on borrowing and lending in the discussion concerning the budget. What we asked was the inclusion of these operations in the budget, not the inclusion of a discussion of a document summarizing a discussion on borrowing and lending. We want to have something to say in the assumption of debts and the granting of loans. For three or four years now the Council, at the

end of every year when the budget is being drawn up, assures us that in the coming year it will issue the pertinent regulation, and then we always end up exactly where we were.

I wish to compliment Mr Dankert, who was able to take advantage of the fact that the Commission presented a supplementary budget at the end of the year and seize the opportunity to use the remaining margins for manoeuvre, which can then be transferred to the 1981 budget.

All these small things are indeed interesting; they are *retouches*, or, if you will, products of 'budgetary engineering', but they effect no substantive changes in the budget. This budget was already inadequate when it was first presented by the Commission; the Council made it even more inadequate, in the opinion of Parliament; and now we are to be satisfied with something which is midway between the original proposal of the Commission and that of the Council. As an overall judgment on the budget as a whole, a term was used in the other sitting — and Mr Adonnino also wrote it into the first point of his resolution — namely 'transitional budget'. In reading this, I was reminded of Mephistopheles who told the student that it was a very good thing to study philosophy, because 'wo ein Begriff fehlt, da steht ein Wort bereit': when an idea is lacking, there is always a word to fill the gap. Thus, this budget is 'transitional'. We should say rather, if we want to be truthful, that this budget is basically one of immobility, due to the fact that in all these years neither the Commission nor the Council took any initiative aimed at preparing the Community to face the problems which it would surely have to meet.

I will not repeat what has been said by the rapporteurs of the parliamentary committees to the effect that only insignificant accomplishments have been made regarding cooperation with third countries; they are even more insignificant when one considers that any serious prospect of rejuvenating our own economy must be studied in connection with a definite policy of aid to development for these countries. As for what has been said regarding social policy, transportation and regional policy. I have nothing to add to the criticisms already made. Neither has anything been done about borrowing and lending operations.

The problem of compulsory and non-compulsory expenditure is still up in the air, and I wish to appeal once again to Parliament to realize that it is time to have done with this game where the Council says that an item of expenditure is compulsory and we say that it isn't. We should say that a given item of expenditure is non-compulsory, treat it as such, reinscribe it — even if the Council blocks it at the second reading — and write in the pertinent budget commentary, that is, in something which will become Community law, that this expenditure is non-compulsory; or we must resolve upon resorting to the Court, so that it may decide if the Council can arbitrarily determine that an

## Spinelli

expenditure is compulsory, even when it obviously arises from a political decision and not from obligations laid down in the Treaties or in existing Community laws. Instead we do neither the one nor the other, and by a majority decision we rejected the notion of including such a commentary: we say so in a resolution. It is useless to put it in a resolution. We should say that this budget is not what it should be; this budget is an expression, in terms of income and expenditure of a Community which is unable to alter its misguided policies. For years we have been faced with a mistaken policy regarding agricultural prices, and we are unable to change it. The Community develops the necessary policies in only an inadequate and casual manner, with no overall plan. It is unable to find new resources; it is even unable to produce an overall programme saying: this is the Community's line of development, as was set down in the Treaty. In the first period of its existence the developmental programme of the Community was known. Now this or that is casually asserted, and when a commitment is assumed it is not even known whether or not it will be carried through. In this situation such a budget is the inevitable result.

Several political commitments have now been entered into. The European Council has asked the Commission to prepare measures for controlling agricultural expenditure in order to obtain a better balance between the various budgetary items. Since so much has been said about a mandate from the Council to the Commission — the Commission should not be obliged to accept a mandate even though it can be requested to do so — it should be emphasized that the new Commission has, as of November, another mandate from the Parliament: we approved a resolution asking that measures be taken in the near future to modify the policy on agricultural prices and the system of own resources. We also requested something else which the Council has not yet given us: we asked that the Commission present an overall programme at the beginning of the year, requesting its adoption by the Council and by the Parliament. We must commit ourselves to certain definite activities during the year, and then the collaboration we talk about could be established between the various institutions.

I would like now to urge members to pay close attention to the programme which the new President, Mr Thorn, will present to us, to the conditions we will set for our vote of confidence, and to the commitments which the Council will or will not assume at the beginning of the year. If we don't want the next budget to be a replica of this one, it should be based on that programme and on those commitments, and not on casual actions developed from one moment to the next.

For these reasons, we Italian Communists will vote against the budget and against the resolution proposing its adoption. With this rejection we intend to

express our severe and negative judgment on the disgraceful situation into which the Commission and the Council have allowed the Community to fall.

Before concluding, I should like to address the outgoing Commission, probably for the last time. I believe that you must certainly feel humiliated by the miserable final budget you were obliged to propose, and which you will now see approved. I hope, however, that you also realize that you yourselves had a great responsibility in these last four years, and especially in this last year. If you had come to us and said: we fought, we used our prerogatives, we took initiatives, but we were defeated, and for this reason we must be satisfied with this budget, I would have proposed a vote of approval here for your action, even though it was unsuccessful. But you were not defeated; you did not even fight; you surrendered politically year after year, and this budget is only the final surrender. It is you who have fathered this budget: we are only working to develop it.

Many of you will return to sit on the new Commission, and I hope that all its members, the new and the old, will in the next four years reassume the position of leadership in the construction of Europe which you have at present abdicated.

*(Applause)*

**President.** — I call Mrs Scrivener to speak on behalf of the Liberal and Democratic Group.

**Mrs Scrivener.** — *(F)* Mr President, I do not propose to return to the terrible tragedy which has plunged all Italy into mourning, since Mrs Agnelli has already placed before the House an urgent resolution on the subject on behalf of the Liberal and Democratic Group.

For the second time since its election by direct universal suffrage this Parliament is being called upon to vote on the Community budget. This leads me to make a preliminary observation of a general nature which is, I believe, shared by a number of my colleagues in this House. Despite an undeniable measure of progress, the budget still seems too much like a duel between the two branches of the budgetary authority. Since the very beginning of the procedure an air of suspicion and distrust between the institutions has pervaded all discussion of the budget. This situation is seen by some as the inevitable consequence of the division of responsibilities between Parliament and the Council. I for my part believe otherwise. I believe that the budgetary procedure can be and should be the occasion for a dialogue, and the incumbent of the Presidency of the Council is there to prove it. There are bound to be tensions even in such a constructive dialogue, but the aim is to find a Community response to problems for which a purely national solution is unsatisfactory. The

### Scrivener

Community institutions, Council, Commission and Parliament, have everything to gain from closer cooperation. Perhaps we shall see more of it with the 1981 budget.

We know that this year we are faced with a difficult budget. In the first place, our hands are largely tied by the near-exhaustion of own resources. Next, the Community has had to settle the question of the British budget contribution. In this area, a political decision has been taken and accepted. Finally, the accession of Greece is also not without impact on the Community's finances.

According to some, the agricultural policy is also largely, not to say exclusively, responsible for the present budget difficulties. The Liberal Group does not go along with the extreme positions sometimes adopted on this question. We think it is inconceivable that the budget should be simply an agricultural budget but, on the other hand, we surely would not wish to reduce the cost of this policy just at any price. As we have said here often enough, the common agricultural policy is in fact the only common policy we have. It not only complements national policies, it has replaced them, and to that extent the Community budget has taken over from the national budgets. Perhaps, in the future, new policies will be developed by the transfer of responsibility from national to Community level, and at the same time, of course, by a similar transfer of the necessary funds. It is only natural, therefore, that a sizeable proportion of our budget should be devoted to agriculture, and I say this to you now without apology. It would show a certain lack of realism on our part for us at this stage to declare, for example, that we would reject any supplementary budget for 1981 that proposed to increase the total expenditure on agriculture, insisting at the same time that all additional expenditure must be financed entirely from savings within the overall budget of the Guarantee Section of the EAGGF. What position would we be placing Parliament in if later it found it could not do otherwise than go back on its own decision? On the other hand, we are fully conscious of the determined effort that has to be made to curb production in sectors in structural surplus. We should be doing the greatest possible disservice to the common agricultural policy if we were to do nothing at all about it, and so it is with very great interest that we shall be examining the Commission's proposals on the matter.

Faced with these budget constraints, Parliament was forced to make a choice. It did so at the first reading by selecting four priority sectors: regional policy, social policy, energy, and development aid. We have to acknowledge that the Council did in part respond to Parliament's appeal. Indeed, the appropriations for the Regional and Social Funds have been substantially increased for 1981. We should be only too delighted if further allocations for these two areas could be found

from within the supplementary budget for 1980. In fact, we were not in favour of an increase at the second reading of the 1981 budget in the appropriations of either the Regional Fund or the Social Fund if it was to be at the expense of other measures that had perhaps not captured the Council's imagination to the same extent. We think that development aid and energy policy deserved a great deal better than they got. And so, by supporting the most important amendments relating to these two sectors the Liberal Group seeks to confirm the choice it made at the first reading. Why? Because we wish to see a common energy policy get under way. Let us make a start by giving encouragement to energy-saving measures, to the development of new sources of energy and to prospecting for uranium. We have therefore retabled our amendment aiming to set up a global operational reserve for this sector, but we have at the same time shown discretion by cutting the amounts to be set aside. The fact that this amendment was adopted by a virtually unanimous vote of Parliament at the first reading, and again — you will recall — a few days ago in the Committee on Budgets, cannot be ignored by the Council. It is a strong appeal from Parliament to the governments of the Community for them to agree — and only they can do it — to the launching of a common energy policy. We shall be very interested to know the response.

As regards development aid, we shall be supporting those amendments that relate to two specific objectives: firstly those that will enable the Community to meet its existing commitments, and secondly those that will help to get the Ferrero report implemented. We shall therefore support proposals to increase food aid and aid to non-governmental organizations. The Liberal Group is equally in favour of increasing the appropriations to be made available to help victims of disasters outside the Community. We have there, have we not, a moral obligation to fulfil. Those are the amendments that my group will be supporting. I ought to add that we are also waiting to see what decisions the Council might take with regard to the ECSC's contribution to social measures. We, for our part, are in favour of such measures.

Mr President, let me say in conclusion that the Liberal and Democratic Group has decided to adopt a selective attitude when it comes to voting, in the light of the present budget constraints, of which I spoke earlier. And that means that we shall be abstaining on many amendments which would otherwise have deserved a positive vote. We hope other groups will adopt the same attitude because we would like Parliament this year to manifest as broad a consensus as possible, thereby reaffirming its determination to give priority to a few very specific sectors. In so doing we shall strengthen our position when it comes to the conciliation procedure with the Council. So, my appeal is for unity and my hope is that it will be heard.

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

**Mr Ansquer.** — (*F*) Mr President, as we enter the final phase of the budgetary procedure it seems to us an opportune moment to make a few comments and to reflect on the significance of the 1981 budget.

Firstly, then, as regards the common agricultural policy, there is no doubt that some reforms are necessary and even salutary. But this policy cannot be changed exclusively through the budget. While we may be forced to make economies, we must not forget that behind all the figures and the regulations there are the men and women, the families of farmers who have seen their incomes falling over the past several years owing to the sharp rise in production costs. Let us not, therefore, confine the common agricultural policy within a kind of budgetary strait-jacket and thus run the risk of dealing a fatal blow to European agriculture, discouraging the farmers, and, eventually, weakening the security of the Community's food supplies.

As regards structural policies, the Council's decisions are encouraging but in many instances fall short of what is required. This is the case with the Social Fund, food aid and industrial policy. That is why we proposing additional expenditure in the social field, in particular to assist in vocational training, improve mobility and, most importantly, promote employment. To improve the employment situation should be our overriding priority. That is the special function of the Social and Regional Funds. The level of payment appropriations set aside by the Council for the Regional Fund is too low. It is insufficient even to cover commitments already entered into. The Group of European Progressive Democrats, which has always upheld the regional development policy, proposes therefore to restore the appropriations to their original level by increasing payment appropriations by 150 m EUA and commitment appropriations by 57 m EUA. In fact, taking into account inflation and the share we have had to set aside for Greece, the Council's proposals represent a severe cut. Their effect will be to aggravate existing imbalances. It is very important that the least-favoured regions in Ireland, Scotland or the French overseas departments should not have their appropriations cut in real terms as a result of a redistribution of quotas consequent on Greek accession. The battle against regional imbalances in a Community which today has over 7 million unemployed is becoming a matter of public welfare. In the field of energy, we continue to deplore the lack of a common energy policy, which is reflected in the low level of appropriations. The Council has doubled them. But, in the present circumstances, ought it not to increase them tenfold, on condition that a common policy is properly implemented?

As regards Community financing for social measures to assist in the restructuring of the steel industry, the

legal obstacles pale into insignificance beside the very severe crisis which European industry is now going through. My group is therefore calling on the Council to act quickly to introduce Community aid in the first half of 1981. As regards the dispute about the classification of expenditure, which is getting exacerbated from year to year, my group repeats its request for the initiation of a conciliation procedure with the Council in order to set up as soon as possible a dialogue which we hope will be fruitful.

Mr President, whether we call this a retrenchment budget or a transitional budget, we find ourselves in fact in the situation where we have steadily rising expenditure and a more or less rigid ceiling on revenue. Such a situation has some potentially very dangerous consequences for the Community. One way out that has been suggested is to widen the scope of the co-responsibility levy so that the farmer pays the cost of the agricultural policy. In that case, why not charge part of the cost of social measures to the beneficiaries themselves? Is that what Community solidarity is about? No, we have to find a way out of the impasse by introducing one, two, or even three new common policies. In this way we shall avoid the danger, with which we are already too familiar, of having to fall back on national policies alone, with all the bitter disappointments that can result from them. The way to strengthen the Community is by developing new policies and by providing for the budget revenue necessary to implement them, whereas the Council of Ministers, and even the European Council, appear to have been caught up in a vicious circle: no new resources, therefore, no new policy.

We solemnly call upon all those responsible to show their determination, to assert their will by translating it into facts. Naturally, the Community cannot commit itself on all fronts at the same time. While improving the agricultural policy by stepping up structural measures and by opening up new markets, the Community has to plump for those priorities that have the broadest support. For, one thing we do not want is to see the Community dissolve into a two-tier Europe, which would only accentuate the imbalances and, in the end, undermine the foundations of the edifice.

On the contrary, we want to strengthen the cohesion between the Member States. If the variable-geometry Europe suggested by Mr Jacques Delors implies a selective programme of urgent measures to be undertaken jointly, then let us waste no more time — let us give a new impetus to Europe and to Europeans renewed hope.

**President.** — I call Mrs Macciocchi to speak on behalf of the Group for Technical Coordination and the Defence of Individual Groups and Members.

**Mrs Macciocchi.** — (F) Mr President, listening to this debate all morning I experienced the same emotion I felt when we attended the fine reception given by the Government of Luxembourg.

There, around the table decorated with flowers, under those great chandeliers, surrounded by all those exotic dishes, I suddenly had the impression, the image before my eyes of the two contrasting worlds we find in Europe: on the one hand, our overdeveloped societies, our progressive societies with their telematics, their advanced technocracy; and, on the other, those southern regions — ignored, despised, very often treated in an almost racist manner — where the earthquake brought a blinding flash of realization to us that we — who are so proud of our civilization — have a third world inside Europe: the Mezzogiorno, that land which still lives in a state of semi-colonialism compared to the rest of Europe, that skeleton in Europe's cupboard.

In this earthquake in Italy we saw not only a disaster, unimaginable in its horror, what we also saw — as Mr de Pasquale said in his commendable speech — was the complete infrastructure vacuum; what we saw are the dreadful conditions in which, in the twentieth century, alongside our cathedrals of progress, lives a population steeped in human misery.

One would have to re-read Victor Hugo — who could certainly teach Mr de Ferranti a lesson or two, although even he was greatly moved by what he saw in Naples — to understand what I am trying to say, to meditate on the beautiful images Victor Hugo paints for us of the confusion of Neapolitan life, to read Malaparte's 'La Pelle'.

I recommend it to any Member who really wants to understand what it is like in Italy now.

When one accuses the people of southern Italy of stealing shoes or of taking things that do not belong to them, it is necessary to understand the despair that seizes some people in Italy today, and when Mrs Agnelli describes for us the way men and women have flocked to help these people, the Red Cross in action, the human kindness — well, all that is not enough, it is all very noble, but it just is not enough. What is required is for Europe to look upon the problem of southern Italy as its very own problem, for her to observe the Treaty of Rome, to see how the South is being plundered and exploited, to be able to join the two ends of the chain of human misery: the children of Cambodia, the 12 million children throughout the world who died from starvation in 1979, and our own children, the children of southern Italy whom you have seen in conditions by now familiar to you.

I therefore take up the suggestion made by Mr Ruffolo here, and urge that a liaison body be set up by the Community and the Italian Government. I

ask you to cut across any arguments concerning responsibility between one committee and another. Everyone should work together to help set up a body to liaise between this Community and the Italian Government without waiting to ask if it will violate Italy's sovereignty.

Because at the bottom of it all is the fact that southern Italy belongs not only to Italy, but to Europe as a whole, which must look upon it as a wound in its own flesh, but also as its conscience, which is beginning to stir frighteningly today.

**President.** — I call Mr von der Vring to speak on behalf of the Committee on Regional Policy and Regional Planning.

**Mr von der Vring, co-rapporteur.** — (D) Mr President, I wish to talk about the 1981 budget. The whole crux of the matter is formed by the payment appropriations and in particular the question, will the commitments that have been approved be automatically honoured, or must Parliament fight for this? The Council has this year adopted a very positive attitude, a readiness to compromise. I listened very closely to the President of the Council this morning. He criticized Parliament's continued insistence on its minimal positions. We must therefore draw attention to the mistakes which led to these differences of opinion, because so much is clear from the text. In the first draft of this budget the Council tried to ensure, by reducing the payment appropriations, that the Regional Fund, although endowed with commitment appropriations, would come to a virtual standstill in 1981.

In the second draft the Council changed its tactics, assuring us in all the discussions in the Committee on Budgets that it did not intend to use payment appropriations to block commitments entered into. But let us see where this takes us. The Council has itself said that its estimates of payment appropriations actually required are lower than ours. This in itself would not be a cause of conflict, since the same solution could be used as in the past: we concentrate on the commitment appropriations and start by keeping our calculations of the payment appropriations low at the beginning of the budget. If they are not enough, an adjustment can be made by means of supplementary budgets. That was the position in the past, and this position did not create any political difficulties. But today we have a real budgetary problem, because the Finance Ministers of the nine governments include the estimates of value added tax required in their budgets at the beginning of each year. If it then turns out at the end of the year that the planned payment appropriations are not sufficient, they are very reluctant to approve further resources and so create the difficulties we are now having. That is why this system of supplementary budgets works so badly.

von der Vring

Parliament is therefore taking a risk in relying on the approval of supplementary budgets, especially as the Council has reneged on the gentleman's agreement. That is why the supplementary budget for 1980 on Thursday of this week will be a cautionary example. *Hic Rhodus, hic salta*, I should like to say to the President of the Council. If the Council is prepared to approve the payment appropriations that are absolutely essential, we shall not have these problems in the future, but then, unlike the leopard, it must change its spots today. If the Council accepts this, we can very easily agree on the 1981 budget. But — and I should like to make this clear — a compromise based on the 620 m EUA in payment appropriations proposed for the Regional Fund is no compromise, because it would mean — to take the Council's justification as it stands — that there would be no resources at all in the Regional Fund to cover the first instalment of the 1981 commitments approved by the Council. That is no compromise, ladies and gentlemen. What is at stake here is the Council's credibility, the question of whether the Council is prepared to honour commitments it has approved in the past. If the Council abides by its past commitments, the conciliation meeting will have a successful outcome — if not, difficulties are likely to ensue.

**President.** — I call Mr De Goede.

**Mr De Goede.** — (NL) Mr President, the 1981 financial year has something transitional about it. After all, the solution of the basic problems connected with the financial and budgetary policies in the longer term is still a long way off. The annual budget problem has always been difficult in the past, but it is becoming far more difficult now that own resources are threatening to run out. What is ominous in this context is that evidently three government leaders from three large countries rejected the idea at the last summit conference in Luxembourg of a possible increase in these resources. I hope that our Parliament will be discussing this problem very soon in a well prepared debate. Perhaps our deliberations will provide a new stimulus, new prospects of not only facing this problem, but also coming a little closer to a solution. The Spinelli report promises to make a major contribution in this respect.

As regards 1981, I see various rays of hope after the very gloomy approach adopted by the Council towards the draft submitted by the Commission in September. The Council has after all approved a number of requests made by Parliament. A first important point is the inclusion in the reserve of 2 % of the appropriations for the Guarantee Section. A second is the reduction by 50 m EUA in the case of skimmed milk powder, and a third is the Council's apparently more accommodating approach to Parliament's view that greater savings are necessary in the agricultural sector as regards structural overproduction. In the areas of

energy, development cooperation and the social and regional policies, the Council has also proved to be somewhat more accommodating, although the extent of its conciliatory attitude does not yet put us in an optimistic mood.

Today's debate now seems to be becoming rather hazy. After all, the Council has not yet put all its cards on the table. It will do so tomorrow, after our debate, and only on Thursday, when we vote, will we know what we ourselves want. Today we can fire a few shots across the bows. It is to be hoped that the Council will turn the prow a little more in Parliament's direction. As I see it, the Council must come closer to Parliament on four points.

Firstly energy. The continuing discrepancy between the formulation of policy objectives by the government leaders, as was again done recently in Luxembourg, and the formulation of a practical policy must be eliminated. Energy conservation and the development of alternative sources of energy are outstanding examples of areas which can and must be tackled at Community level. The Council is still holding back on this issue.

Secondly, development cooperation. Our debate on hunger in the world showed that we as a Community still fall short of our obligations to the world. Here again the Council must join with Parliament in making resources available.

Thirdly, the Regional and Social Funds must be extended further than the Council's latest concessions allow.

And fourthly, the ECSC. The inclusion of a token entry has at last opened the way for the Community financing of social measures in connection with the restructuring of the iron and steel industry. But the Council must take the necessary decisions quickly. I welcome the willingness shown by the Council to be more conciliatory towards Parliament's views on the inclusion and granting of loans. I am doubtful about the recent 1980 amendments, described this morning by Mr Dankert as a last resort and as far from satisfactory and by Commissioner Tugendhat as extremely artificial. I have my doubts because immediately before this, as a result of earlier modifications, the VAT percentage of the Member States had been reduced, and they are now again faced with an increase. I am curious to hear the Council's views, and I should say that it is almost inconceivable that something like this should happen in the country from which I myself come, the Netherlands. In purely legal terms this may not conflict with what has been laid down in writing and with past developments, but I believe it is important for national parliaments and national governments to have confidence in what a parliament should do, that is, keep a check on the executive's proposals and activities. And I ask myself whether we are not in

**De Goede**

the process of falling short of this duty as a Parliament.

Mr President, my concluding remarks concern Parliament's budget. The writing is on the wall: the Council has also taken a critical look at a number of new items such as the pension arrangement and the compensation of Members for travel in their own constituencies. I see this as a warning to Parliament to be rather more self-critical and exercise rather more self-control in this respect. Otherwise, the Council might be compelled at some time in the future to make a careful examination of Parliament's proposals for its own budget, despite the gentleman's agreement, and it would be a pity if we were ourselves found to be at fault. To conclude, Mr President, I wholeheartedly agree to the aid proposed and requested for the disaster area in Italy.

**President.** — I call Mr Arndt.

**Mr Arndt.** — (D) Mr President, what is happening at this moment in this House is rather eerie. We are discussing the 1981 budget, and in fact, none of the groups yet knows what position it should adopt on this budget.

This situation is unknown in any other parliament, and there is no point in my telling the Council so because at the moment we do not have a Council representative among us. I believe that this illustrates the position and also the task of this Parliament, which is to ensure in the long term that in this respect at least things are done properly in the European Community.

I should just like to say a few words which do not relate directly to the budget, but concern this Parliament as a whole, and I will take myself as an example. As a member of the Committee on Budgets, as a vice-chairman of the Socialist Group, as a speaker at this moment, my secretariat is located outside in the car park in the boot of my car. That is where I must go to fetch my files when I need them here. As a Member the only place where I can work is here. This is an impossible situation and one on which this European Parliament must make its views known. This must be said clearly for once. Someone said just now that Parliament must be self-critical about its budget. I should like to say in the clearest possible terms, and I am also referring to the administration of this Parliament and of the political groups, that the administration of Parliament and of the groups must not always automatically equate themselves with Parliament but first consider the ability of Members to do the work they have to do here. The way European parliamentarians and their ability to work are treated at the moment is nothing short of a European scandal.

(Applause)

I should now like to say something about the 1981 budget and the situation in which we now find ourselves. I believe we should all remind ourselves of what happened a year ago. This has been mentioned by the rapporteur and my friend Piet Dankert. A year ago this Parliament transferred 100 m EUA intended for agricultural spending from the Guarantee Fund to Chapter 100. Apart from that, all it really did was ask for limited additional resources for the Regional Fund and for the social sector. The Council could not be persuaded to accept this. That is why the 1980 was rejected. In this 1981 budget the Council has agreed to the transfer of 250 m from the agricultural sector to Chapter 100 and to the removal of 50 m from the agricultural sector.

I say this to show that the decision we took by a large majority of this House a year ago may not have been necessary at that time, but it is proving successful today. I am saying this so that Parliament may realize that, particularly where budgetary questions are concerned, it will succeed only if it tries to take its decisions by a large majority, because only then will we gain acceptance for what we as a Parliament really want.

This may involve us in a detour. The proposal at the moment is that the Committee on Budgets in fact wanted about 200 m EUA more in payment appropriations. Normally that would have been no problem for the 1981 budget. The supplementary budgets alone relieve the 1981 budget of about 220 m EUA for the British contribution. This means that Parliament's demands are still below the total budget submitted by the Council for 1981. It would therefore have been an easy matter for the Council, even in the face of the national governments, to agree to these demands, but prestige probably plays a larger part here than the requirements of the energy, development, regional and social policies.

But this Parliament is, I hope, flexible enough to take account of the prestige of the nine governments in the Council of Ministers. I therefore hope it will be possible for some of this expenditure to be included in the 1980 budget, so that an additional burden is not placed on the 1981 budget.

When I recall what the Council's representative said to us in this Chamber in June 1980 about the financial emergency facing the European Community, when he said that it was impossible to include an additional 13 m in the 1980 budget. That was why the budget could not be adopted immediately after Parliament had taken its decision, and it was only after 8 days of deliberations that the governments approved the additional 13 m for 1980. When we now find that several hundred millions of the 1980 budget remain unspent, it again becomes clear that one institution — the Council — has failed in the case of the 1980 budget. I can never think of the Council as a single institution — I know that many members of the Council see

**Arndt**

things exactly as we do, but there are also a number of governments in this Council which obviously do not understand what figures are involved in Europe and cannot grasp what is required. And here is the proof: they did not want to give us 13 m for 1980, and now, suddenly, under the supplementary budget several hundred million are possible for 1980.

There are members of the Council who do their utmost to restrict the budgetary powers and the role played by Parliament as far as possible. It can only be in Parliament's own interests to try to resist these efforts.

The course proposed — the inclusion of some of the 1980 expenditure in the supplementary budget, thus relieving the burden on the 1981 budget, followed by the transfer of these amounts to the 1981 budget — is not a satisfactory solution for anyone who takes financial policy seriously. If the Council wants this for reasons of prestige, I would ask Parliament to agree on condition that the emphasis placed by Parliament in the 1980 supplementary budget and the 1981 budget is maintained, in other words that the amendments relating to the energy, development, social and regional policies are adopted. I feel — and I also say this to Mrs Scrivener and her group — that we should do everything we can to abide by the decisions taken by a large majority of this Parliament at the first reading. Price increases under the agricultural policy must not be passed on by means of additional expenditure under a supplementary budget. I hope we all realize here in Europe that the incomes of our farmers are only remotely connected with the prices of agricultural produce. We cannot pursue an incomes policy through price policy. This European Community has opted for a market economy. I stress that as a Socialist, because it is impossible to introduce an extreme form of planned economy in, of all sectors, agriculture: it too must play the game by the rules of the market economy.

I cannot say on behalf of the Socialist Group at this stage whether or not we approve the budget. I can only repeat that, if Wednesday's negotiations result in respect for the emphasis placed by Parliament and the position it has adopted on expenditure, we shall do our best to see that the budget is accepted. If the Council rejects this, if it believes it can adopt an intransigent position, the Socialist Group will be consistent with this Parliament's actions and also adopt an intransigent position. To conclude, I should like to say something to all the groups in this House and also to my friend Mr Spinelli: this Parliament will get its way with the Council on budgetary questions only if we decide our position by a large majority. What is now really at stake is no longer the dispute between political groups but the ability of the Council, at least some of its members, or this Parliament to have its way. I hope that this Parliament will ensure by a large majority in each case that it gains acceptance

for the emphasis it has placed and for its self-image. I make this request particularly with a view to the discussions the groups will be having.

I would also appeal to the members of the Council not to cause a new conflict over the budget. In its deliberations so far Parliament has proved that it is interested in completing the 1981 budget debate *without* a conflict. It depends on the Council whether a conflict can be avoided. The Socialist Group awaits the Council's decision.

**President.** — I call Mr Notenboom.

**Mr Notenboom.** — (NL) Mr President, I should like to say a few words on behalf of the Group of the European People's Party. As my colleague Mr Schön said this morning, the 1981 budgetary procedure seems to be progressing more favourably in November 1980 than it did a year ago. We have found the Council more responsive to our proposals. Of course, we are not yet satisfied, but two of the three agricultural amendments have not been rejected by the Council this year. The Council has gone some way, and here and there quite a long way, to meet our demands. Examples here are the Regional Fund and development aid. I await with great interest the outcome of the discussions now taking place in the Council on the ECSC, with plays a major part in these budgetary decisions. And then, Mr President, the Council was also willing to take a small, but distinct step towards the budgetization of loans. That is an indication of a change on the situation from a year ago. And I am grateful to the Council and particularly the Luxembourg Presidency for this. Then there is another small point. I will not claim it is a major issue — it forms part of the general budget — but having spoken out six times in the last three years in favour of small and medium-sized undertakings being given an opportunity by means of item 3071 to do business at European level and now at last finding that they have this opportunity to the Council's agreement to the Commission's proposal and Parliament's amendments, I should also like to express my gratitude. On six occasions I have called for the inclusion of this item and now at last, after three years, it has happened. I am grateful for this, and I hope that the Commissioner who bears responsibility for this sector in 1981 will take a wise decision on the utilization of this budget item, that is if the budget is adopted.

And then I should like to say something about certain aspects of the supplementary budget for 1980. I say certain aspects, and I in no way intend to speak against the proposals made by the two rapporteurs, Mr Adonnino and Mr Dankert, this morning, because I share the view just proclaimed twice with great emphasis by Mr Arndt, that in this Parliament we need large majorities to succeed at all against the Council and to be able to play our institutional role. I share this view,



## Notenboom

and I shall therefore call for the rejection of what our two colleagues proposed this morning. Let there be no misunderstanding about that. But the temptation to take advantage of the opportunity created by the supplementary budget is too great for a Parliament of 410 Members. I fully realize that. But an expression of principle about this supplementary budget No 2 for 1980 would not be out of place either. There was after all, ladies and gentlemen, absolutely no need for this supplementary budget for 1980. Not that I do not intend to vote in favour of the amounts requested in it. I shall vote in favour of them all, the appropriations for emergency aid to Italy and for the United Kingdom and for the Social Fund. There need be no doubt about that, but there was nevertheless no need for the supplementary budget.

The solidarity of the European Community with the victims of the Italian earthquake could have been demonstrated by authorizing a large amount from appropriations carried forward, which would certainly have been enough for the 40 m requested. But in the case appropriations carried forward the Commission evidently gives priority to the second part of the advance to the United Kingdom. It seems as if the Commission's primary concern is to ensure the pounds arrive in London on time. Of course the United Kingdom will get its money, Mr President, there is no doubting that but two members of the Committee on Budgets, representatives of the Socialist Group and of the European Democratic Group, both said that the disaster in Italy had priority over the second instalment of this advance. I agree with them entirely. Nor would a supplementary budget have been necessary for the Social Fund if budgetary controls and communication within the Commission had been adequate. It is simply unacceptable that the European Parliament should be asked at the beginning of November to agree to a rectifying and supplementary budget No 1 for 1980, reducing the VAT rate for 1980, and some weeks later to increase the VAT rate again, because it has become clear in the meantime that, even leaving aside the events in Italy to which I have just referred, the Social Fund needs yet more money. If there is proper budgetary control, this kind of thing cannot happen within a period of a few weeks. Of course, Mr Vredeling must have the money, but it would also have been possible not to reduce the VAT rate in November or to request this amount for 1981. Poor budgetary controls are responsible for the zig-zag policy, a policy with which we challenge the national parliaments and the national Finance Ministers, a policy of first reducing the VAT rate and then, a few weeks later, raising it. We cannot be regarded as a very reliable budgetary partner in these circumstances. I find this regrettable, but a majority of the Council agreed to this, and the Council represents the Member States. I cannot get round that. That is why I am not opposed to Mr Adonnino's and Mr Dankert's proposals, because I fully realize that they will give us the opportunity of taking this emergency action in a manner which is admittedly lacking a great deal in

elegance and is hardly acceptable from a budgetary point of view, as Mr Arndt has already said. But I quite understand what they have done, and I congratulate them on their inventiveness, which is designed to gain acceptance for the policy which we need for Europe. I feel obliged, ladies and gentlemen, to denounce the Commission's proposals, which I have myself condemned. I hope this will never happen again, because we do, of course, need financial resources for Europe to implement the social, energy, development aid and other policies we want, but we also need the understanding of the ten national parliaments, because we shall very soon be in very urgent need of the support of these ten parliaments when they are asked to raise the ceiling on own resources and to give us some room for manoeuvre in the next decade. We shall need the national parliaments then, and we must therefore be a predictable and reliable partner for those national parliaments, which is something we are perhaps not at the moment. There are sufficient grounds for agreeing to the line advocated by our colleagues this morning, and I am not opposed, but I would nevertheless condemn this objectionable policy.

**President.** — I call Mr Forth.

**Mr Forth.** — Mr President, I should like to start by referring to something that Mr Ansquer said this morning. He called on all the Community institutions to put a brake on expenditure. This is something that all of us would look to in these times of difficulty throughout Europe, and there I agree with him. But I do not think that there has been any real evidence that this Parliament has shown the same willingness to restrain its expenditure as it has urged on the other institutions.

As joint budgetary authority we regard it as our responsibility to observe and to restrain the expenditure of the Commission. That is right and proper. We scrutinize carefully the expenditure of the Council and that is proper too, but I submit, Mr President, that we do not spend as much time or energy scrutinizing our own expenditure, which over and over again is shown, in the view of my own group and my colleagues and many other colleagues in the Parliament, to be excessive.

For example, there was a move in the first reading of the budget to restrain the rent costs of this Parliament. It was passed by the Committee on Budgets and regrettably failed here in the plenary, and this is a source of great regret to me, although I thank Mr Ansquer for including in the text of his resolution a request that increases in rent for the three working places of Parliament should be scrutinized with great vigilance. Well that, Mr President, is putting it mildly. We really want to spend less time scrutinizing and more time actually controlling or even, preferably, reducing expenditure.

## Forth

This brings me on to a second heading of expenditure which I feel I should explain here, namely the Committee on Economic and Social Affairs. Colleagues here in the Committee on Budgets will know that from time to time I and some of my colleagues have expressed our doubts about the role and value of the Committee on Economic and Social Affairs. I would just like to say a few words explaining to them why this is.

Coming from the country that we do, we regard the Committee on Economic and Social Affairs as what we call a quango, a quasi-autonomous government organization, and our own government in the United Kingdom is spending much time trying to reduce the number of institutions which have mushroomed in our country trying to play a part in the role of government, or indeed of non-government, and we are tempted to see . . .

*(Mr von der Vring indicated that he wished to put a question to the speaker)*

**Mr Forth.** — Mr President, I am prepared to accept a question from Mr von der Vring if he wishes to ask it.

**President.** — Mr Forth, it is not for you but for the President to call someone else to speak. I would ask Members not to interrupt speakers, otherwise we shall not complete this item. You may continue, Mr Forth. No question has been put to you. No one has the right to interrupt you.

I call Mrs Kellett-Bowman on a point of order.

**Mrs Kellett-Bowman.** — Mr President, the honourable Member is quite evidently prepared to give way and under Rule 30 he is permitted so to do as long as you do not absolutely bar him from doing so. Surely you could give your permission. The rule says a speaker may, by leave of the President, give way during his speech. Now that implies that if a speaker is willing to give way, and the President does not absolutely bar him from so doing, this is permissible. Would you not allow this since he obviously wishes to give way and I am sure the Chamber would wish him to do so.

*(Applause)*

**President.** — You may be prepared to do so, but I am not prepared to call Mr Vring.

Mr Forth, do you wish to continue or have you finished?

**Mr Forth.** — . . . I was talking about the Committee on Economic and Social Affairs and the peculiarly

British attitude to it and I am asking colleagues to understand this. What I find difficult to understand is the argument that, because it is in the Treaty, it must therefore be inviolate and never changed. I consider this one of the regrettable aspects of the Community and its institutions which threaten to make it static rather than dynamic. I would prefer people to have a more flexible and open attitude to reviewing particular institutions which may have served their purpose in the past but whose purpose may well have been overtaken, as I believe the Committee on Economic and Social Affairs' purpose has been, in this case by Parliament.

I would like to say further that, whilst we support the proposals made by Mr Ansquer on the strengthening of the two courts — the Court of Auditors and the Court of Justice — which we see as essential to the Community, we feel, that the budget of Parliament itself has become bloated. There are obviously too many buildings, and we are already — and the rent provision in the budget allows for this — expanding to even more buildings in all three places of work.

There are inefficiencies in this institution which I feel are being perpetuated; there is an inflexibility of organization and staffing where the administration appears to be unprepared to examine, under this new Parliament, where changes could be made profitably and efficiently. I feel that already, although this institution is barely 20 years old, it may be exhibiting a lot of the characteristics of a dinosaur with hardening arteries, and this is a matter of great regret to myself and my colleagues. What concerned me even more is that it could ultimately endanger the gentlemen's agreement if we for our part are not seen to be prepared to examine, scrutinize, control and, if necessary, reduce the costs of our own institution whilst at the same time criticizing others.

Now, a final thought: I have recently been increasingly concerned in our work in the Committee on Budgets about the fact that institutions have come to us and asked time and time again for money to be given to them by way of transfers. I feel that this indicates an attitude of mind within the Community institutions which is very dangerous. This attitude is rather as follows: we may have a budget and it may have been agreed. We have spent all the money and now we are coming back and asking for more because very obviously we have to spend more money and have exceeded the budget, then more money must be asked for. This attitude seems to be well established historically.

I believe that it makes nonsense of the budgetary procedure. It certainly is not the sort of budgetary procedure that I am used to where a budget is agreed and then kept to. Only in the most exceptional circumstances, such as the Italian earthquake disaster or the like, should people come and request money and be given it. I feel that until we can take more seriously in

## Forth

all institutions of this Community the true meaning of budgetary procedure, which is to agree an amount and adhere to it and accept that as a control on what we in the Community spend, until we achieve that change of attitude, Member State governments and other people in this Community will not take us seriously as an institution.

Many people do not believe in the Community, but I believe in it passionately. I want to see it thrive; I want to see it prosper. But my fear is that if this sort of attitude persists then that prospering will be delayed and this is in none of our interests.

**President.** — I call Mr Baillot.

**Mr Baillot.** — (*F*) Mr President, today Parliament is engaged in the second reading of the 1981 budget. The few changes introduced by the Council in the budget adopted at the first reading make no essential difference. As we said in November, this is a crisis budget, an austerity budget, and Mr Santer, speaking on behalf of the Council of Ministers, made that the central theme of his speech this morning. Austerity for the workers and for the small and medium-sized farmers. The budget reflects rising unemployment and the continuing inflation which weighs so heavily on the lives of millions upon millions of families in every country of the Community. At the same time, however, the profits of the multinationals continue to grow and the assets continue to be taken out — there, at least, is one business that has flourished as never before — with these corporations ever on the look-out for cheaper and more easily exploitable labour.

This is an antisocial budget, not because the Council has turned down a few million units of account that Parliament had allocated to the Social Fund at the first reading, but because the majority sees social policy in terms of assistance and — I might as well say it — charity.

A proper social policy should grapple with social injustices and inequalities that are still very widespread and are becoming more pronounced in every country of the Community, as indeed are the imbalances between the countries themselves. The tragic situation in southern Italy is a reflection of this; on behalf of the French members of the Community and Allies Group I should like, here and now, to reaffirm our total support for the Italian people engaged in the difficult task of healing the terrible wounds that the earthquake has inflicted.

This is the reality that all the official pronouncements and all the high-flown commentaries will never be able to conceal. The reasons that led us to oppose the budget at the first reading still hold good. If anything, our opposition has been strengthened by the positions the Council has adopted since November.

In the first place, we have to remind you once again of our fundamental opposition to the reduction of the United Kingdom's budget contribution agreed between President Giscard d'Estaing and Mrs Thatcher. To compensate for the loss of that part of the United Kingdom's contribution the French taxpayer is going to have to pay 4 500 million francs. The aid given to the United Kingdom is so large — it is in fact equivalent to more than one third of the increase in the 1981 budget over the 1980 budget — that the Community is experiencing great difficulty in coming to the aid of the victims of the Italian disaster. Clearly — and I believe Mr Tugendhat said as much this morning — money cannot be spent twice. Today, the essential funds for emergency relief work in Italy are not there, and to find them has meant some juggling with the 1980 and 1981 budgets which we, for our part, cannot endorse. The decision taken on 30 May in relation to the United Kingdom contribution was so unjust and so serious in its repercussions that we are very much afraid that we shall be harking back to it again and again.

Secondly, we continue to oppose the enlargement of the Community, which the budget in effect ratifies and for which it is paving the way, even though the Member States have still not been consulted on it. This practice by the Community institutions, our Parliament included, is clearly intended to present the peoples of the Nine with a *fait accompli*. These institutions have acted in this way in the belief that it will make it more difficult for the Nine to oppose enlargement. A fuller understanding of the consequences of what they might be helping to bring about — without, let it be said, those being invited to join the Community being any the better off for it — could be prejudicial to an undertaking already condemned by the experience of enlargement from six to nine.

Thirdly, we maintain our determined opposition to the policy of restructuring. The breaking up of the steel industry — and let me say that there are those in Europe who stand to gain by it — the dismantling of the shipbuilding and textile industries and, tomorrow, of the automotive industry, under the pretext of standing up to the savage competition from Japan, are unacceptable.

Rationalization of production, productivity, the systematic lowering of production costs are all used to throw millions of men and women out of work and to leave millions of young people without any professional qualifications and without any clear prospects for the future. The budget favours this policy which, particularly in France, is resulting in a sharpening decline in the national industries.

Fourthly, we are opposed to any attempt to undermine the common agricultural policy, of the sort heralded by the budget. The second reading of the budget is bringing to light an important new factor, which is the agreement in principle between the Council and the

**Baillet**

majority of Parliament, and Mr Adonnino quite rightly expresses satisfaction on that account in the resolution adopted by the Committee on Budgets. Both sides agree, in effect, that additional agricultural expenditure in 1981, that is to say after raising agricultural prices, will have to be financed from savings achieved within the common agricultural policy's overall budget for 1981, from the reserve made up from the 2 % levy on the total appropriations in 1981 in respect of the Guarantee Section of the EAGGF, and by additional savings in the so-called 'structural surplus' sectors.

It has to be said, moreover, that there is very broad agreement in principle between the Council and Parliament, and indeed the Commission as well, on reforming the common agricultural policy, in particular by extending the co-responsibility levy to other production sectors, in other words, by the generalization of the injustice already being suffered by milk producers. This joint policy of the Council and the majority of Parliament will have a further adverse influence on the situation of small and medium-sized farmers. In fact, these joint decisions, and particularly this 2 % levy on the budget of the EAGGF's Guarantee Section, represent nothing more than a determination to avoid having a supplementary budget in 1981, after the French presidential elections, which would enable agricultural prices to be raised in line with actual production costs.

The 1980 balance sheets for agriculture are at this moment on the point of being drawn up. In France, the government has just been forced to grant 4 100 million francs in various forms of aid to farmers to compensate for an average drop of 6.5 % in their incomes. Now, we all know exactly what these averages are worth: if the incomes of the big farmers go up — and often they do, substantially — those of the smallest drop, resulting in bankruptcies and rural depopulation.

This situation bears out how justified we were in our realistic proposal — rejected by the majority of Parliament — to increase French agricultural prices by 13 % for 1980/1981. At a time when the French Government and some farmers' union leaders would have the taxpayer pick up the bill for 4 100 million francs in aid to farmers, it is worthwhile recalling that part of this sum, in fact about half, could have been found this year by refusing to cut the United Kingdom's budget contribution. We did make a proposal to this effect in November, but the majority of Parliament rejected it. In once more rejecting the 1981 budget we are making a stand on behalf of thousands upon thousands of farmers and their families who want to make their living in an occupation they have chosen and which they enjoy. We are also making a stand on behalf of those who consider, quite rightly, that it is nonsense to talk of surplus production at a time when the world is being ravaged by hunger. The latest UNICEF report

showing that 12 million children died from starvation in 1979 is a condemnation of your policy and your budget.

In conclusion, we can say without fear of being proved wrong that, next Thursday, in agreement with the Council, Parliament will adopt the 1981 budget by a large majority. This bears out what we said a year ago, that the so-called conflict between the Council and Parliament was pointless and would very quickly fizzle out. So that next Thursday's vote can take place without anyone harbouring any illusions or being under any misunderstanding, and so that everyone can take full responsibility for his own actions and cannot say he was made to vote for something he did not want, we have tabled a motion for a resolution rejecting the 1981 budget.

**President.** — I call Mr Nord.

**Mr Nord.** — (NL) Mr President, Mrs Scrivener has already outlined the general position of my group on the draft 1981 budget. I should like to follow up her statement by referring briefly to a few aspects. We know that the Community's revenue is approaching the ceiling of 1 % VAT, that the economic and financial situation in the Community and the Member States necessitates the greatest possible thrift, that the Commission must put forward proposals on the structure of the Community budget in the first half of next year and that the budget debate this year is therefore necessarily of a provisional nature.

For all these reasons we have not wanted this year to ask for the impossible. We want to reach a reasonable agreement with the Council, recognizing that it was accommodating on a number of points on the second occasion but also claiming that it has not done enough in other respects and that the aim of our second reading must be to be selective in putting forward those amendments which are necessary to make the budget a useful instrument of European policy. We therefore look forward with very great interest to tomorrow's conciliation meeting and hope that a consensus can be achieved.

But for some days now we have had a new problem; the link between the supplementary budget that has just been submitted and the draft 1981 budget. The procedure that seems to be gaining ground is rather strange. A supplementary budget for 1980, its necessity in this form questionable, is to be used to increase the finances for 1981 by raising a number of payment appropriations at the last minute and so facilitating agreement on 1981. As I have said, Mr President, it is a strange procedure, and that is putting it mildly.

Should Parliament cooperate in this? I almost said: should Parliament share the responsibility for this? I hope that will not be necessary. The decision on the

## Nord

1981 budget should be made by the appropriate procedure. There is all the more reason to hope that agreement can be reached with the Council on this. We will not then need to resort to means such as I have just mentioned. But we might be forced to do so if the consultations with the Council as part of the 1981 procedure threaten to come to a standstill. It is in this spirit that we enter the negotiations with the Council and it is also in this spirit that we will assess the outcome.

## IN THE CHAIR: MR GONELLA

*Vice-President*

**President.** — I call Mr Doublet.

**Mr Doublet.** — (*F*) Mr President, ladies and gentlemen, this is the second time that, speaking on behalf of the Group of European Progressive Democrats, I rise in support of the proposals of the Committee on Transport. During the first reading we reasserted our desire to see the Treaty of Rome at last implemented in this essential respect. The Committee on Transport has unanimously confirmed its original proposals. Allusion was undoubtedly made to the fact that the Council has taken a step in our direction by proposing 5 m for infrastructures instead of 15 m in commitment appropriations, but there is nothing precise about this. It is a watering-can policy, and one which we denounce.

Mr Taylor said this morning that we do not know how to use our prerogatives and that we use our budgetary powers badly. I believe that in the transport policy we have an area worthy of the privileged application of our prerogatives. This major debate, as I pointed out this morning, concerns three thousandths of the total budget. In fact we are two or three years behind the times. The Council does not want, it seems, to go back on its decisions, which is perhaps not surprising. What would be surprising would be our going back on our decisions. If we show our wisdom by persevering with our attitude and abiding firmly by our position, if we transcend the frontiers, particularly the political frontiers, if we launch an urgent and unanimous appeal and constantly express our desire to see account at last being taken of the very reasonable European transport policy we advocate, we shall move from a Europe of good intentions to a Europe of realizations, from a Europe of ideals to a Europe of practical action.

**President.** — I call Mr Capanna.

**Mr Capanna.** — (*I*) Mr President, in my opinion, there is certainly a relationship between the earthquake which struck southern Italy and the budget for 1981.

I visited all the towns hardest hit by the quake, beginning with Naples. It has not been mentioned here that there are still hundreds of bodies under the rubble. This fact, perhaps more than any other, gives a concrete idea of the scope of the disaster. My colleagues should be made aware that a second disaster, perhaps even more serious than the earthquake itself, is now affecting this section of my country. I am referring to what I will call the 'Z storm', after Special Commissioner Zamberletti, who is in charge of a reconstruction programme which is in reality nothing less than the deportation of hundreds and thousands of citizens. We must realize as of now that we are about to witness another Belice, incomparably greater and more unendurable than the first.

What sort of reconstruction should be undertaken for this part of Italy? We either hand over the task to the victims themselves, and make them the protagonists of a thorough economic and social renovation in these regions, or we relocate them, as is being attempted, massing them in the valley and on the coast, destroying the existing social order and founding a new one based on a more solid Christian Democratic control, as the examples of Friuli and Belice confirm.

This having been said, Mr President, it is not my personal opinion but rather the facts themselves which indicate that the amount of Community financial aid for the areas of southern Italy devastated by the earthquake is barely sufficient to cover 2 % of the needs arising out of the disaster. Not I, but the facts should convince us that Community contributions are not really aid and constitute no effective financial support: they are rather mere Community charity. This means, Mr President, that this budget is one where no progress has been made, which once again favours French and Bavarian agriculture to the economic detriment of other countries and which aggravates the problem of world hunger. This budget, moreover, because of the cuts made in the decisive energy sector, and particularly in the sectors regarding renewable alternative energy sources, plunges the European Community into energy poverty instead of solving the problem of energy supply.

This means that this budget condemns southern Europe, and especially southern Italy, to a future of backwardness. And this in turn means that only a Parliament which is completely servile towards the Council can approve it.

I conclude, Mr President — honouring the commitment I made in the preceding parliamentary sitting in Strasbourg — by stating my opinion that Europe and its Parliament should recognize the PLO as the legitimate representative of the Palestinian people.

**President.** — I call Mrs Spaak.

**Mrs Spaak.** — (*F*) Mr President, my statement will be devoted to the question of the common policy on scientific research.

The population curve in Europe is falling. Europe depends on the outside world for 55 % of its energy supplies and for 75 % of its supplies of raw materials. Its assets principally consist of its intellectual resources and its cultural variety. We must derive the greatest possible benefits from both. The question of the development and efficiency of research in the Community is therefore fundamental. Our future and that of the developing countries depends on the way in which we resolve this problem. Professor Prigogine, the Belgian Nobel Prize winner, stated this in remarkable terms in a recent report drawn up for the conference on the future of research in the Community organized by the Commission and held in Strasbourg last October.

Europe has at its disposal great scientific and technological potential, but it is not making full use of it. Nine research policies, soon to be ten, fragmentation, the failure to make the results known to others reduce the effects that might be hoped for. In recent years the Community countries have given the new technology sector, and this is an example, BFR 14 000 million in public funds. In the same period the Japanese have spent BFR 8 000 million on this sector. Today the Japanese control 40 % of the world market, while only 10 % is controlled by Europe, because our 14 000 million have been used on nine rival programmes. There is a danger that Europe will without warning become some kind of underdeveloped area.

The problems are principally structural: a lack of mobility among research workers, outdated methods of teaching science, poor prospects for young people, the lack of promotion and the low standing of industrial research. A Community policy in this field can help to remove these difficulties only if it corresponds to at least 5 % of national efforts in this sector, which would affect 15 000 of the 400 000 research workers in Europe and involve 1 500 to 2 000 million EUA. At present, some 300 million EUA is allocated to the relevant item of the budget. The Community policy must be integrated into existing Community policies and take account of the policies on energy, agriculture, raw materials and industry. As regards the environment, we must prepare the way for an environment which can accommodate a population that will increase by 50 % between now and the year 2000 and further accentuate the difference between the rich and the poor countries. In the case of regions with outdated industries, like the Walloon area in Belgium, instead of thinking up protectionistic measures to perpetuate activities which no one finds profitable, we should be stimulating research so that growth industries enabling young people to put their intellectual potential to profitable use can be installed there.

The budget which has been presented to us does not take account of the creative dimension of research, which should cause us some concern. Joint research increases the value for all the national participants, large or small, which is greater than the sum of the results of research in each individual Member State. It is a factor in European integration and an element in the construction of the European Union which is essential in view of the competition from the United States and Japan. For Europe this is a challenge it must accept. The European Parliament must be a driving force in ensuring the symbiosis of science, technology and society by encouraging the scientific world to be more informative and by developing the necessary dialogue between science and society.

Thanks to the conference in Strasbourg last October, Parliament has a remarkable amount of basic material capable of inspiring a forceful and active policy. It was Jean Monnet who said one day: 'Time is passing for Europe, and Europe is dawdling on the path to which it is already so deeply committed. We cannot stop when around us the whole world is in movement.' That is also true of the efforts we must make to ensure that Europe occupies its rightful place in the field of research.

**President.** — I call Mr Colla.

**Mr Colla.** — (*NL*) Mr President, ladies and gentlemen, we must not, of course, be blind to the fact that the Council has to some extent adopted a positive approach towards the 1981 budget. Sufficient reference has already been made to its agreement to some of the modifications proposed by Parliament in the agricultural sector. But this cannot prevent us from making an objective analysis of the present budget situation and of the present relationship between Parliament and the Council and, notwithstanding that positive approach, from telling the Council, without mincing our words, our views on a number of points. After so many years of the European Community, the Council reminds me of a beautiful woman who rightly admired herself in the mirror more than twenty years ago, but who now, showing the passage of the years, looks at herself again and says they don't make mirrors as they used to. The same goes for the Council, because it does not have enough imagination to breath fresh life into Europe and, even worse, a blocking majority or minority is often found in the Council to bring down Parliament's innovative proposals.

When the Council and the Member States face a difficult economic situation, their reaction is short-sighted and they feel that it is better to keep every European unit of account in their own coffers rather than spend it at European level, thus ignoring the effect of the increase in scale and so adopting a conservative and protectionistic approach. By extension, the comparison I made also applies to the European Council, which at

## Colla

its last meeting expressed the view that it was better for the President of the European Council not to come to the European Parliament and felt that the European Parliament should know its place better. This is tantamount to saying that Parliament is in fact an ornament to be tolerated and that it should be happy to be allowed to travel between Brussels, Strasbourg and Luxembourg. The European Parliament will now react to this by saying that the Council must turn on itself and perhaps criticize its own Ministers for once by asking if the Council is not interfering with the budgetary powers Parliament has obtained and if it is not crippling the Commission's mandate, its duty to initiate legislation and the means it has to implement the budget. Above all, the so-called major leaders, the Chancellor and/or the President must be asked whether it is not dangerous in the long run to ignore the only democratic institution this Community has as they did so haughtily during the last European Council meeting.

We find evidence of a measure of inertia in the Council in the proposed energy policy. Once again the European Council has referred verbally to the need for a Community energy policy. But I then find it grotesque for the Council to strike a proud pose this morning and say: 'We have added 47.3 million EUA in commitment appropriations', when we know that the Council's new total is even lower than in 1980 and that, even if all Parliament's amendments should be accepted, the necessary funds will still not be available for the establishment of a cohesive policy.

But the principal reason is that our innovative idea of interest subsidies for investments having the effect of conserving energy has not been accepted, that the President of the Council did not have a word to say on this subject this morning and that he is therefore paying no heed to the economic implications of this for employment and the environment. The reason given by the Council is the absence of a legal basis. Fortunately, the same reasoning has not been used in the case of other items, but we should note that dual standards are being used.

A second example is the industrial policy. Evidently the European Council is now at last prepared to arrange a Community meeting with the Economic, Finance and Social Ministers, undoubtedly in order to take a close look at the unemployment situation.

We hope that this special Council will in particular pay close attention to Chapter 37 of the budget, because it will then find, as we have done, that it is ridiculous to suggest that a total of 9.5 million EUA in payment appropriations should be made available for a revived European industrial policy that is so necessary and has been so highly praised.

A few words now, Mr President, on the coincidence of the supplementary budget for 1980 and the 1981 budget. Mr Notenboom was right to say that there is

little budgetary orthodoxy about this proposal, but I am prepared in principle to agree to it on one condition, this being that the Council must adopt the same position of principle and accept all Parliament's amendments to the 1981 budget. Since I do not believe this will happen, I support the pragmatic proposal of the two rapporteurs, because the budget is after all only a means to an end. It is less important whether resources are derived from the 1980 or the 1981 budget and far more important for Parliament to have resources for a Community policy it wants to develop further. In the Committee on Budgets the Council's representative rightly asked about the implications of the 1980 supplementary budget for Parliament's demands with regard to the 1981 budget. For my Group the matter is very clear. We continue to make our demands for 1981 in respect of all those items which are not covered by a supplementary budget. To conclude, Mr President, I should just like to enumerate the Socialist Group's priorities: 1) the energy amendments, particularly that concerning interest subsidies — and I also say this for the benefit of the parliamentary delegation which will be negotiating with the Council tomorrow — and 2) the amendments which concern development cooperation. Then there is the only amendment remaining on environmental policy, which proposes the establishment of an environmental fund, and of course the social measures in the steel sector, although I find it difficult to join in the rejoicing at the fact that we at last have a token entry. We must have actual appropriations in the 1981 budget. And normally I would also have to mention the Regional Fund. This calls for two remarks: 1) I feel there is a need for a serious evaluation of the effect of the appropriations we have already earmarked for the Regional Fund and 2) the same goes for the non-quota section: what happens to all the resources that are saved and what is the position as regards projects under preparation?

Finally, Mr President, a request to Parliament and the Council. I call on Parliament not to back down, particularly over a number of qualitative demands. I recall a comment on the advisory committees, of which the Council said: they are not acceptable because, if they were accepted, they would upset the institutional balance. That is correct, except that the institutional balance is now being upset to Parliament's and the Commission's disadvantage. And, bearing in mind the conciliation meeting tomorrow, I call on the Council not to adopt again what I would call a narrow-minded attitude, haggling over a few European units of account. I hope that tomorrow at least the emphasis will be placed on joint efforts to achieve the further development of Community policies.

**President.** — I call Mr Tindemans.

**Mr Tindemans.** — (NL) Mr President, ladies and gentlemen, in this debate the problems to which budg-

## Tindemans

ets typically give rise are being discussed at the same time as the emergency in Italy. This is confusing. I shall therefore concentrate on Italy.

On behalf of the Group of the European People's Party I should like to begin by expressing our deep-felt sympathy with the victims of the terrible disaster that has struck Italy. We bow our heads in memory of the thousands who have lost their lives in the earthquake. Our thoughts go out to the many tens of thousands who have lost everything as a result of the disaster. Their suffering is great. They may be sure that very many people in Europe are taking steps to alleviate their suffering. The President expressed this very well here yesterday, and we readily endorse her statement.

When a disaster brings suffering and misery to a country, some Members find it particularly painful to discuss the subject in Parliament, and I am one of them. It may seem so cheap to talk about the tragedy others have experienced, while the suffering at the loss of a loved one is still torturing many hearts and the victims who have survived the catastrophe do not even know what course their future lives will take. But if words can help here, we will not shrink from speaking them, words of sympathy, words of comfort, if that is possible, words which must give expression to the very deep sympathy we feel. We also want to tell the Italian people that we intend to show with deeds how close we feel to them.

A parliament is always inclined to be critical. The latest meeting of the European Council is unlikely to be an exception to this rule where this Parliament is concerned. But I feel I must say that anyone in this Parliament who has genuine feelings about Europe will have considered at least one aspect of the recent meeting in Luxembourg as being very positive. This was the assurance of substantial, practical aid to the areas affected by the earthquake in Italy. It has often been said and written that the movement for the unification of Europe has not been or is not a real popular movement, that it has remained confined to a very small group of sympathizers, idealists, politicians or economists. To develop a feeling of greater solidarity in Europe, means are then sometimes sought which may strengthen the conviction that we are united by sharing the same destiny. These means have included a European passport, a European flag and a European anthem, cultural exchanges and meetings of young people and so on.

How better to demonstrate that we do indeed belong to the same Community than by manifesting actual solidarity at the tragic moment when one of the Member States is struck by a terrible natural disaster. At such times we realize that in fact nothing in life is stable and unchanging, and that at any moment something bad can happen to which man is not equal and by which we can all be affected wherever we may live. When fate strikes, we will know if we have real

friends, friends who sympathize with us and give actual proof of their sympathy. The European Council's decision was a confirmation of this solidarity, like the wide range of help spontaneously offered by the Member States, many private organizations and even by simple European citizens. Italy did not stand alone. The Community showed that it is also a human reality. The European Council reacted well, the Commission did its duty. The aid may not be simply humanitarian, but help must come from the Community. It is people in the Community who are suffering, and we must help.

Let us also accept the good advice given by Mr de Ferranti: Italy must itself follow democratic procedures in deciding what should now be done. In the European Parliament, the committees which can and must be involved in the granting of aid, in addition to the European Parliament itself, must perform their normal task in this matter. The Italian Government's plans for Southern Italy have become unrealistic as a result of the earthquake. New programmes must be established, and here the Community can play a very important role.

I should also like to take this opportunity to congratulate Mr de Ferranti on his excellent report on the situation in the disaster area. We can contribute a great deal to ensure that the debate on the granting of aid at European level is purposeful and objective. His report can serve as a basis for this. The Group of the European People's Party expressly states that the debate on the tragedy that has occurred in Italy must at no time create the impression that the European Parliament is a place for discussing, not to say fighting over, typically national problems, disputes or feuds. A natural disaster is bad enough in itself. It must not lead to the political exploitation of the suffering and misery of the victims. That would be completely out of place, always and everywhere, but even more so in a European Parliament. We all know how difficult the organization of aid is, especially immediately after a disaster has occurred. We have all had experience of this in our own countries: in Hamburg in 1963, despite the organizational talent ascribed to the German people, in Lower Saxony, in the Netherlands in 1953, at the time of the great flood in Greece in 1978, and in my own country, Belgium, in 1977 when there was less extensive flooding, which did, however, lead to bitter words being said even to the Head of State. The suffering, the despair in some cases, the uncertainty about the future are the explanation for the sometimes harsh words and complaints voiced by the victims who have not yet got over the shock of what has happened. Let us all make our experience available to deal with the consequences of this disaster as effectively as possible. Here in this European parliament we must express our sympathy, show our solidarity and discuss and plan the European contribution to the alleviation of the suffering. The initial decisions have been outstanding. My Group feels, however, that they must



### Tindemans

be followed by a second set of decisions when it comes to building a new future for the afflicted areas.

Mr President, many Members of this Parliament want Europe to pursue a bold regional policy that produces tangible results. Europe's regional policy has undoubtedly already helped to improve the situation in some areas of the Community. But, in view of the extent of the disaster and the size of the area affected, roughly equivalent to Belgium, it has been said here, could the Community not declare this region a test area to be paid special attention as long as is necessary? And this not only in order to pursue a very specific policy in that area, but also because such action might serve as an example for other areas.

Mr President, the people of Italy must know that Europe will stand by them in this hour of need, that the afflicted will not be left to their fate, not now and not later. We hope that all the groups will decide in a European spirit, which is a matter of course for us, and as unanimously as possible what form European solidarity can and must ideally take in Italy now and in the future.

**President.** — I call Mr Ligios.

**Mr Ligios** — (I) Mr President, those who have spoken before me have given a fairly clear picture of the earthquake which struck my country on 23 November last. Mr de Ferranti, who was sent into the area by the Bureau, gave an exceptionally clear account; Mr Tindemans, the chairman of my own party, spoke equally well, and so have many other Members.

This earthquake is, in fact, the most serious in history to hit my country, if not by the number of fatalities, certainly by the force of the shock and the geographic scope of the phenomenon; and we all know that, unfortunately, Italy is very frequently subject to earthquakes. Any comparison with the preceding quakes — like that in Belice in 1962 or that in Friuli in 1976 — is irrelevant. The damaged area is immensely greater: 26 thousand square kilometres, an area, to adopt the geographic comparison used this morning by Mr de Ferranti, as large as the whole of Belgium. Inside this vast area, two regions were almost entirely destroyed: Campania and Basilicata. Terrible evidence of this is offered by the nearly 5 000 dead, the thousands of injured, the often complete destruction of more than 450 towns and villages, and the ruin of all the administrative facilities. The devastating effect of the earthquake was also aggravated by the mountainous terrain of the region — which should not be forgotten when speaking of delays in the arrival of help in the first hours of Sunday evening, 23 November — by the irregular internal disposition of towns which sprung up long ago, often in inaccessible locations, with houses built for the most part before the use of reinforced

concrete and therefore unable to resist telluric shock. These two agricultural regions are among the poorest in the whole Community, with serious problems of underdevelopment which Italian society has not yet succeeded in solving and which Community policy itself, as some speakers have rightly mentioned, has aggravated over the last twenty years. This is demonstrated by the increase in emigration which took place in the sixties and especially by the gap in income which exists between these regions and the richest parts of the Community. This difference has gone from a proportion of 1 to 3 in 1960 to a proportion of 1 to 7 today, as was well observed in a document from the Commission which came to light some months ago, and thus at a time when its motivation could not be considered suspect.

We have been saying that this tragedy provoked a wave of moral and material solidarity, both in Europe and beyond, which I believe has no historical precedent. This solidarity was a human commitment, concrete and coherent, made in the consciousness that politics arises and lives in the solidarity of peoples. We are profoundly grateful to all people, organizations, and governments for this solidarity, and especially to the governments and peoples of Europe. But Community solidarity must not stop here, at the first stage of intervention, which is only aimed at relieving the sufferings of the victims and restoring the basic services necessary for the continuance of any sort of human activity in those regions. Community action should continue to develop, should be in proportion with the nature of the disaster, and should contribute not towards mere physical reconstruction and infrastructural restoration, but rather towards the general restoration of economic balance in the regions destroyed by this earthquake. The financial action recommended by the European Council at its Luxembourg meeting should, in our opinion, be approved because of its timeliness and its scale. It is easy to speak of billions or thousand millions of EUAs! The sum is certainly insufficient, but if we consider that the earthquake had occurred a bare 4 or 5 days previously and that the seriousness of the situation was not yet known, this decision is, in my opinion, significant. Many of us believe that, given the extraordinary nature of the event, the interest subsidies should be higher than the 3 % which is the norm for other operations, and there have been proposals to this effect. I agree with them, but I think what Mr de Ferranti stressed is still more important, that is, that a commitment should be obtained from the Council or the Commission to review the amounts and means involved so that they may eventually be augmented and improved when the picture of what is needed becomes clearer than it was on 1 December when the Luxembourg decision was taken.

I wish above all to call the attention of the Commission and the Council to the fact that it is necessary to extend the planned integrated action to include other areas hit by the quake — to Naples, for example —

Ligios

coordinating not only the normal programmes but also the special ones we are now initiating and which I hope we will continue in the future; coordinating, that is, the efforts of the Italian government with those of the Community and others.

Mr. President, I wished to make these observations in support of what other speakers, especially Mr Tindemans, have said. We are profoundly aware that, in order to ask for solidarity from others, we of the stricken country must be the first to give evidence of sacrifice, ability, and honesty. In 1976 at the time of the earthquake in Friuli, we made similar observations in this Assembly. That region, destroyed four years ago, has already been rebuilt better than before, as can be confirmed by anyone who has been able to visit it recently. We aim at achieving the same result on this occasion, or to do even better, Keeping in mind the greater scope of the disaster.

I would conclude my speech here, Mr President, if I did not feel it my duty to make some reference to what has been said by other Italian Members of various political leanings. To bring about the results we all hope for, the government will certainly need solidarity, and all political parties should unite so that this feeling may prevail over natural deviousness. This has not, however, been the case. The measures for aid were judged inadequate — as you have heard here — from the very first, often merely on principle, irrespective of the manner in which they would later be carried out. It was impossible, two hours afterwards, to accuse the government of inefficiency in a disaster whose extent no one had as yet understood. It was however considered a good opportunity to throw mud at the government and the institutions, even though the occasion called for different behaviour . . .

*(Sharp exchanges between the Italian Members on the centre and on the left)*

Ladies and gentlemen, I refer particularly to what was said by Mrs Agnelli. She gave us a personal, eye-witness account of what she was able to do for the earthquake victims, and she even requested the intervention of the President of the Republic to free the nurses for their task. We appreciate what she has done. Perhaps all of us wish we were able to ask for help in such high places at the hour of need. I believe, however, that her account springs in part from a bad conscience, for tens of thousands of workers left the area to find jobs in the North, and this was also the result of an erroneous policy carried out with the support of the large Italian industries, which are certainly at no great distance from Mrs Agnelli. Pardon me if this is excessive, Mr President, but it is not easy to listen to accounts of this nature at a moment we believe to be so dramatic and in surroundings like this, where everyone has to some degree shown a desire to understand us and to meet us part of the way. I was adversely affected by what Mr De Pasquale has said about hypocrisy and equivocation,

which he attributes not only to the Italian government, but to other institutions as well. One cannot make unfounded accusations; such accusations must eventually be proved. Machiavelli said, 'In a democracy one must leave plenty of room for accusation, but be very strict with slander.' I think this is a proper matter to be discussed in our own country, if certainly not here and now.

*(Applause from the centre and from the right)*

**President.** — I call Mrs Boserup.

**Mrs Boserup.** — *(DK)* Mr President, at the first reading of the draft budget I said that I did not wish to criticize the cuts made by the Council. There were plenty of others only too anxious to criticize on that occasion, as there are also today. The spokesmen for the committees and the political groups have come out with the mixture as before, arguing that we should adopt everything. The ministers in the Council are reproached for allowing themselves to be swayed by national interests. But what were they supposed to do? I would be the last to suggest that all the Member States' ministers are distinguished by their wisdom and far-sightedness. But it is no bad thing if these ministers from time to time show consideration for and loyalty to their electorate by putting a brake on the unbridled desire of this House to have everything taken over by the Community. And I certainly want nothing to do with the peculiar manoeuvre with a supplementary budget that is to increase the money available under the 1981 budget. I could say something on that, but I want to get onto something else.

I shall cite just one example of a matter that is very close to my heart. Among the proposals that have come up again is a request for the transfer of 112 m EUA from the Community budget to the ECSC for social assistance in connection with the restructuring of the iron and steel industry. My party, the Socialist People's Party, endorses the series of measures proposed, such as early retirement and a reduction in working time. With our active support Denmark now has legislation under which workers have secured these rights. And so the Danish workforce — who account for 80 % of the population — are now contributing through their taxes to this system of social redistribution, which is to alleviate the plight of those workers affected by restructuring measures and the general crisis. But we find it unacceptable that the Community should assume responsibility in the social policy sector. And it is utterly wrong for the Social Affairs Committee to claim, as it does in its justification, that the appropriation proposed must not affect the margin for manoeuvre available in respect of the other non-compulsory expenditure.

Whilst we are in full agreement with the spirit behind the proposal we reject the idea that the Community

**Boserup**

should take over responsibility for the administration of social policy. My party believes firmly that social policy must be handled at national level. In that regard our standpoint is, as far as I know, identical to that of the Danish Government.

To Socialists here in this House who think that this is a good and perfectly satisfactory proposal I would say this: 'Go home to your own countries and help the workers in their struggle to obtain at national level effective measures to counter unemployment'. Such measures will help them far more than this proposal, not least because they also benefit all the unemployed, and not just those in the steel sector. I have in this Assembly heard nothing that would warrant the view that the Community benefits the working class. And all attempts to transfer the problems from domestic politics and national employment plans to this supra-national body will undermine the fight being waged by the trade union movement.

At any event my party does not recognize Parliament's right to enter appropriations, be they large or small, that would bind the Danish Government, and I must therefore vote against the draft budget as a whole, and that goes also for the supplementary budget and all the other hocus-pocus.

**President.** — I call Mr Jackson.

**Mr Robert Jackson.** — Mr President, the 1981 budget procedure is now drawing to its close and I know it is always rash to make predictions. Indeed, I recall that in my speech at the first reading in October I talked about stormy times lying ahead. But it does seem likely that we are going to be able to conclude this procedure without unpleasant incidents. This will be thanks to the relatively conciliatory attitude which the Council has adopted — the Council has clearly learned from the mistakes it made last year — to the skill and determination of our rapporteur, Mr Adonino, who has always been determined to secure agreement on this budget and also to the intellectual and physical stamina of the chairman of the Committee on Budgets to whom I would like to pay tribute.

It may be premature to try to draw up a balance sheet for this budget, but let me try to do just that. Looking at the pluses and the minuses, or rather at the pluses qualified by the minuses; on the plus side, as far as this year's budget goes, we have what could be a historic breakthrough in respect of agricultural expenditure. For the first time European Parliament modifications in the agricultural sector have been accepted. But let us not be under any illusions about the scale of this achievement. We are talking about a cut of only 50 million units of account in a total budget of 10 000 million units of account which everybody agrees is too much. We are talking about a transfer of 2 % of guarantee expenditure to a reserve within two chapters of

the budget where the Financial Regulation provides that the Commission may withdraw funds at will without being subject to our control.

Other pluses this year include the inclusion of token entries for new lines in the budget, for example on steel. But we must ask whether the Council will rise to the occasion and allow real money to be put on the line. We also have a large increase in the appropriations for payments included by the Council at the second reading. I will return to that point later.

Finally, another plus out of this year's budget lies in the concept — the intriguing and rather amusing concept — of the travelling margin which has been invented by our infinitely resourceful 1980 budget rapporteur, Piet Dankert. This exploits the surplus which has arisen this year in the 1980 budget to introduce a supplementary budget now at this stage in 1980 so that expenditure from that supplementary budget can be carried forward into 1981 without counting against our margin for that year. This is an excellent opportunistic device. I hope that it will not turn out to be too clever by half, for it does after all involve a number of inconsistencies with previously cherished positions of the European Parliament. For example our position that supplementary budgets should only be brought forward when they are urgent and necessary. The Italian element in this is of course urgent and necessary, but one cannot, I am sure, say that about the elements relating to the Social Fund and the RDF. We also, of course, have cherished the principle of honest budgets, namely that the Commission should always spend the money allocated to it in the year for which the budget is relevant. This again is a principle that we are abandoning in relation to this interesting new device of the travelling margin.

These points of principle lead me to my brief catalogue of the minuses which arise in this year's budget procedure. First and most important, the Parliament has postponed coming to terms with real structural crisis of the budget, a structural crisis which is reflected in the European Council mandate to the Commission. This year's agricultural modifications have put the European Parliament on to the chess board, but we are still only a pawn. We have got to make ourselves next year at least a knight and preferably a bishop so that we do not leave the restructuring exercise entirely in the hands of the governments.

A second minus in this year's budget procedure is that it seems to me that we have allowed the ambiguities and obscurities that still surround the 1975 Treaty to go on long enough and they are beginning to work to our disadvantage. One element which I dealt with when I spoke in the first reading debate is the exploitation by the Council of the obscurity that exists about the point at which the margin for manoeuvre comes into operation. The Council claims that it operates from the first reading, the Parliament claims that it operates from the Council's second reading. The

**Robert Jackson**

difference in terms of money is large — we are talking about something like 200 million units of account. This year it is plain that we are going to have to fudge that issue, but the question must be resolved and it is a question which must be resolved in our favour.

Another element of ambiguity in the 1975 arrangements is also now being exploited by the Council: the question whether the maximum rate applies to commitments as well as to payments, and if so at what rate. In 1978 the wisdom of the budget rapporteur of that year, a member of this group, Mr Shaw, secured a one-year informal agreement that the same maximum rate should apply to both commitments and payments. Then this year Mr Dankert, in the context of a second version of the 1980 budget, argued that this arrangement no longer applied and that there was no maximum rate for commitments. The Council has now alas responded to the situation by fixing a lower maximum rate for commitments than for payments, which is a very dangerous step in terms of the possible contraction of structural policies that it portends.

What practical conclusions can we draw from these doctrinal points? I believe that early next year in the relative tranquility of the first half of the year, the Committee on Budgets should examine whether it should review and redefine Parliament's interpretations of the disputed points about the 1975 Treaty, and we should aim to achieve a conciliation process with the Council on this question next year when we can settle these matters — or try to settle them — outside the context of the rather frenetic atmosphere of bargaining over money and policies.

Finally, Mr President, a big minus as far as this year's budget procedure goes is the European Parliament's administrative expenditure. This, I believe, is the last year in which Parliament can tolerate the kind of growth that we have seen in 1978, 1979 and 1980 in its own budget. Next year is going to be the crunch year for the Community budget as a whole. It must also be the crunch year for our own extravagance in our own House.

**President.** — I call Mr Rossi.

**Mr Rossi.** — (*F*) Mr President, rather than discussing figures, I should like to refer to the impossible situation we face from now on. Even if we are thrifty this year, even if VAT has a few pleasant surprises in store for us in 1981, even if, as might be thought, the world-wide increase in certain agricultural prices reduces our expenditure on refunds, the problem will nevertheless arise with the next budget. That is why I believe the problem must be tackled without complacency from now on.

We are coming to a standstill because it is obvious that the governments are not disposed to increase own

resources. Even if they were, the necessary negotiations and the uncertainties as regards ratification would mean it being at least three years before the Community had the benefit of new resources. In other words, ladies and gentlemen, during that time the common agricultural policy will come under increasing attack from those who quite obviously have never accepted it and also from all those who blame it — and will do so increasingly in the future — for preventing the development of other policies. And we run the risk of seeing what, with the opening of the frontiers, constitutes the only genuine achievement being subjected to grievous attacks, not because this policy has failed — who would dare to claim it had when we see how it has succeeded in ensuring the independence of our continent where foodstuffs are concerned? — but solely because it is supposed to have obstructed other policies. We must therefore avoid this oversimplification, which is creeping into our Assembly and according to which there is virtuous expenditure, that is non-compulsory expenditure, and reprehensible expenditure, that is expenditure on agriculture. And instead of taking sides, why does not the whole of our Assembly unite to form the trend of opinion needed to force the governments — who for the moment are more passive than they have ever been — to draw up new policies and, at the same time, to agree to the resources required to implement those policies? Nothing is worse than a dividing line that is now being drawn in our Assembly and will result, if nothing is done about it, in the destruction of one policy without others being created in its place, because we do not have the legislative power to implement new policies on our own.

On the other hand, we can be a driving force, and if Parliament had to be judged in terms of the present budgetary procedure, I believe the important thing would be less the few million units of account we have been able to extract from the Council of Ministers and more the ability Parliament has shown to make choices and to set four priorities: energy, development, regional policy and social policy. Our Assembly has thus shown that it is aware of its responsibilities. I therefore feel that, on the completion of the present procedure, rather than losing ourselves in endless debates — some of which do not fall within our terms of reference — we must concentrate on the public and the Council to clear the way for a genuine European revival.

Mr President, I am not saying this, I must stress, to conceal the deficiencies of the common agricultural policy and to make it seem there is no need for change. It is true that the system has led to certain structural surpluses, and I am convinced that at management level — and without affecting the three fundamental principles to which we attach great importance: European prices, financial guarantees and Community preference — the cost of this policy can be reduced without undermining the incomes of the farmers, who are already very deep in debt.

Rossi

I believe that this agricultural policy must first be put back on its proper footing by removing from it the massive refunds in respect of products we are obliged to export so that we can receive identical products from the ACP countries. But apart from this purely visual aspect, there is a whole aspect that we could not have created: exports in the agricultural sector. Everything is done in effect as if our only concern was production, production which is supposed to correspond, by and large, to demand, the surpluses being the unwanted premium that must be got rid of at any price. How different this is, ladies and gentlemen, from industry, where firms produce both for the domestic market and for the external market. There is no talk there of surpluses. They use the far more refined term 'exports'.

This absence of interest in the big wide world is found at many levels. Two examples will suffice to illustrate what I mean. We must increasingly export processed products rather than unprocessed agricultural produce. Having said that, are we really interested in having in our various countries an agri-foodstuffs industry to satisfy this ambition? Of course, the situation varies considerably and there has been some very considerable success, but can we say that, on the whole, this success corresponds to the level of the technical and technological capacities of the industry itself? I do not believe so. Another example: are we interested in developing international commercial companies to match this desire?

This absence of interest in the big wide world, as I have just said, is also to be found at political level. Compare the sometimes relentless efforts of American governments to place their major products on the Russian and Chinese markets with the passive approach of our European institutions. Let us take political reasoning to the extreme by quoting another, quite striking example: the attitude we adopted during the Tokyo Round was totally defensive in the face of the unjustified criticisms of pseudo-protectionism because of the common agricultural policy, even though, I would point out, we are the largest importer of agricultural produce in the world and we are also very well aware of the remarkably sophisticated protectionistic practices of our various accusers.

Ladies and gentlemen, I would conclude by stressing the need for us to accept a new, broader concept of the common agricultural policy.

This means that, rather than building golden bridges to those who sell our products on the other side of the Iron Curtain — too bad for some affluent people! — it is time to adopt a new approach in which agriculture is no longer regarded as being on assistance, on the grounds that it is granted some vague Community preference, so that it can engage properly in international commerce. But, ladies and gentlemen, we shall not achieve any of this by budgetary means. The budget has had the merit of alerting the governments

to the agricultural problem. The process of reconsideration has begun. We must keep a close watch on this process. We must put forward our ideas and our proposals. But it is not for us to assume responsibility for this process, which explains why I have not personally expressed my agreement to the motion for a resolution, excellent though it is, because the linear reduction by 2 % does not seem to me the right way to map out the new shape of the common agricultural policy. It is not a question of appropriations, but of willingness and imagination. Beating the common agricultural policy into shape with amendments will, in the final analysis, cut it back, but it will not rejuvenate it or give it new life.

*(Applause from the right)*

**President.** — I call Mr Ansquer.

**Mr Ansquer.** — *(F)* Mr President, ladies and gentlemen, I should like to refer briefly to the preliminary draft supplementary budget presented by the Commission, in view of the exhaustion of appropriations for 1980, for aid to the victims of disasters in the Community and for the Social Fund.

My group is aware of the importance of the margin still available in 1980 as a means of achieving the maximum rate. However, it has serious reservations about the method adopted by our rapporteur. It is true to say that this margin will permit the release of 380 m EUA, while the Council's proposal concerns only 100 m EUA. It is therefore tempting, ladies and gentlemen, to use this supplementary budget to make up the difference and to utilize the 280 m available on priority action.

But an operation of this kind raises problems of principle. The doctrine established by Parliament itself as regards supplementary budgets must not be overlooked. Three conditions must be satisfied: this supplementary budget must be of an exceptional, unforeseen and unavoidable nature. Thus, by its very nature, a supplementary budget must make it possible to deal with expenditure which is unavoidable during the current financial year and for which an appropriation has not been provided. As we can see, Mr Dankert's proposal is in complete conflict with our ethics. It even results in the distortion of the notion of a supplementary budget, since it seeks to form reserves for the 1981 financial year. It also represents a serious departure from the principle of a budget applying to a given year.

The only question therefore, ladies and gentlemen, is whether the advantages to be derived from this financial gain outweigh the disadvantages of a breach of our budgetary principles. If this proposal should be approved by the Assembly, I feel it is essential to make it clear that it must not be regarded as a precedent.

**Ansquer**

Mr President, ladies and gentlemen, we do not want to set ourselves up as the exclusive guardians of the law, but it would be worthwhile referring to it in our deliberations.

**President.** — I call Mr Bonde.

**Mr Bonde.** — *(DK)* Mr President, there is no majority in this House for a new confrontation with the Council. Ask the Members who represent farming interests whether they want a confrontation! Ask Members individually whether they want to throw out the Council's offer of a higher budget! There may perhaps be a simple majority in favour of a renewed power struggle with the Council, but not 206 Members who are prepared to vote for another shoot-out with the Council. The majority in the Committee on Budgets, which wants a power struggle, knows this perfectly well but does not have the courage to wage an open fight, knowing that the majority cannot be mustered that way.

And so it seems that the Members are to be duped into a fight. They are asked whether they wouldn't like more money for social objectives and other good causes. They are asked to vote merely for a number of individual amendments, which as a result secure the necessary majority. But the overall result is that the ceiling proposed by the Council is exceeded and Members who do not want a new confrontation find themselves embroiled in just that.

That is precisely the reason why the provisions of Annex I to the Rules of Procedure and of the EEC Treaty have been disregarded. The fifth subparagraph of Article 203(9) of the EEC Treaty explicitly requires an agreement to be reached between the Council and Parliament if expenditure is to exceed the maximum rate of increase. In connection with that agreement the Treaty lays down that the new rate shall be approved in the Assembly by three-fifths of the votes cast and at least 206 Members, and in the Council acting by a qualified majority. The Council for its part offered, by its letters of 4 and 15 December, a new rate of increase. But this offer can only be accepted if the Assembly adopts a corresponding proposal in a single vote by three-fifths of the votes cast and with at least 206 votes in favour. The Committee on Budgets has refused to put forward such a proposal but now claims that the votes on the individual amendments imply a new rate. However, the Assembly's successive votes by changing majorities do not meet the requirement laid down in the Treaty for a qualified majority in favour of an agreement establishing a new rate. On the contrary, the position is in fact that, whilst a majority can be mustered for all kinds of expenditure, there is no majority for a new scrap with the Council. This situation is not unknown in the national parliaments,

where governments have no trouble in getting a majority for expenditure but find it difficult when the necessary savings have to be found.

As champions of law and order and peace in the House, the People's Movement wants to help the Assembly to abide by the provisions of the Treaty. I have accordingly tabled a motion endorsing the Council's rate of increase. We ourselves are not going to vote for the motion but regard it as a kind of technical assistance for the cowardly majority in the Committee on Budgets, who apparently do not have the courage to accept overall responsibility for Thursday's votes. If the motion does not secure 206 votes we shall have to conclude that the Assembly has not validly amended the Council's proposal, and in that event we would congratulate the President of the Council — if only he were here — on the fact that the Council's hands are in no way tied by this Assembly's attempt to wrest by devious means greater power over the Community's purse strings.

**President.** — I call Mr Almirante.

**Mr Almirante.** — *(I)* Mr President, I take this opportunity to give my personal thanks, as I have already done by letter, to the President of Parliament, Mrs Simone Veil, for the telegram of solidarity she was good enough to send to me, as representative for the Italian Mezzogiorno. I thank the members from my group, Mr Romualdi, Mr Petronio, and Mr Buttafuoco, who gave me the honour and the burden of speaking in their names as well as in my own. I say 'burden' because I made, ten days ago in the Chamber of Deputies in Italy, the most difficult speech of my life, a speech that was very strong in regard to the responsibilities and also the errors of the authorities of my country, at all levels: a speech full of grief for the people of the Mezzogiorno and for the disaster they had experienced.

I do not think it is appropriate here to reopen the legitimate question of the responsibility of the Italian authorities. This is a matter to be discussed in our own country. I would be ashamed, as an Italian representative, if in this Assembly, which is and should be a place of solidarity and understanding, I took advantage of the occasion to engage in polemics which can only have one result: the weakening of the solidarity which has fortunately developed in the House.

I wish to say to members of other political groups, but especially to those of other nationalities, that the problem we were asking you to consider with us is above all a human problem. I deeply regret that in this room someone referred to the people of the Mezzogiorno in what I do not hesitate to call an indecorous and inappropriate manner. These people are known to all of you, and they are very hospitable and extremely civilized. They are unfortunate people, who have again

**Almirante**

and in greater measure than before been victimized by a disaster which is not only an Italian disaster but a European one, if it is true that preventing these people, these towns, and this economy from falling into an endless crisis is a European problem, and a European duty to be undertaken in the interest of Europe and of the whole Community.

Representatives of all political leanings and of all nationalities, I beg you first of all to realize the magnitude of the disaster: six hundred villages destroyed, as said in the excellent report made by Mr De Ferranti, whom I thank from the bottom of my heart. Think of it: repercussions are still evident in Naples, and people are still dying from the earthquake. The entire city of Naples is affected; the entire city of Salerno; the cities of Avellino and Potenza. The economy is shattered. As far as Italy is concerned, this was the most serious earthquake of this century after the famous quake of Messina and Reggio Calabria.

You must realize that it is not a question of making repairs, but of rebuilding; you must realize that it is not only a question of rebuilding the many houses that collapsed and the even more numerous houses which are inaccessible or uninhabitable, as shown by the collapse last night in Naples where eight people died. It is a question of rebuilding a ruined economy, for schools and hospitals were destroyed, the few buildings adapted to industrial installations were destroyed or seriously damaged, along with the workshops of artisans, and above all the entire agricultural economy of the area.

Others, in the rest of Europe as well as in Italy, who can't or won't understand, are free with their criticism. They have unfortunately been so even in this Assembly. The poor farmers of the areas devastated by the earthquake who do not want to leave are perfectly right: aid should be timely and sufficient and allow these people, who have nothing else, to return to their land or to remain there, on their small farms, with the necessary livestock and forage to carry on their meagre economy.

Even before the disaster, the economy was already stricken, for Southern Italy is one of the areas of Europe which has always solicited the attention — although to an inadequate degree, as we have strongly deprecated — of the European Parliament, the Commission and the Council of Ministers.

The Italian people — not the Italian government, but the people themselves — are not in a material condition to find the necessary resources on their own. Indeed, in order to provide the initial emergency funds, my country's government, which I cannot blame in this regard, since it acted from necessity, recently imposed new taxes which affect all the Italian people, even those from the areas hit by the earthquake, for they are indirect taxes paid on what is consumed and not on what is possessed.

We in Italy are raising the suggestion of a large international loan on the private market. I will give you the figures, ladies and gentlemen, and beg you to realize that they naturally cannot be the result of a thorough technical investigation. Such an investigation was impossible for the government, and is naturally even more impossible for me, the secretary of a minority opposition party. When we ask for an international loan to meet the emergency and to permit an initial partial reconstruction, we are asking for 20 billion lire. This is not an unreasonable sum. The figure which the understanding and generosity of the European Community are allocating to the Mezzogiorno is known to you: 1.2 billion, plus the 60 million ECU's to come from the Community from other sources. This sum is absolutely disproportionate, considering that it is a loan and that international loans must be anchored to the strong currencies; considering also that repayment, given the fragility of the lira, could be too great a burden for the Italian economy. It could be too great a burden for the very people whom one wishes to help, but who instead will be hurt; it could cost huge sums which are certainly out of the reach of our poor economy.

I will conclude this brief and difficult speech by quoting the final sentence of the report drawn up by Mr de Ferranti whom I thank once again. In paragraph 7 he holds it to be essential that this proposal be considered as the Community's first response to the first stages of reconstruction. This interpretation seems to me to be perfectly correct, and I wish it were the official interpretation of the Commission, the Parliament, and the Council of Ministers. In this light the aid Parliament is deciding upon can be considered reasonable, if insufficient. In paragraph 7 it is also asserted that the continued interest of the Parliament and other Community institutions could be expressed in subsequent proposals with different interest subsidy rates. I have already heard talk of an interest subsidy which could as of now be raised from 3 % to 9 %. We urge you, we invite you, we ask you to proceed in this direction, and to provide for different schedules of repayment: not ten years, but twelve, fifteen, or twenty. I believe these measures to be compatible with the present objective capabilities of the European Community. Allow us to take to Italy from here not only the voice of solidarity, but also the voice of hope, which Naples and all the areas devastated by the earthquake expect of you.

**President.** — I call Mr Megahy.

**Mr Megahy.** — Mr President, I have been fascinated in this debate to hear the different viewpoints coming from every part of the Chamber. One of the things that struck me as I was listening to some of our Danish colleagues — Mr Bonde, for example, who in many other respects shares certain common views with us in the British Labour Party about membership of the

### Megahy

EEC — was how people can pursue the same objects in many different ways. As regards the British Labour members of the Socialist Group, our major object in the discussions that took place on the 1980 budget was to reject it; and I may remind Members of the House that we were among the very few people who in July were still voting to reject it, at a time when we felt the rest of the Parliament which had set its shoulder to the wheel had deserted us.

We felt then, as we feel now, that the budget of the EEC constituted a complete misallocation of resources, that it was a bad budget and that it continued to be a bad budget even after this Parliament had adopted it. But I remember that at the time the budget was adopted voices were saying that the argument was that we should accept the situation as it was and that we should continue the fight into the 1981 budget. Now we are dealing with the 1981 budget and I ask myself where the fight is and what the fight is about. It is said to be a transitional budget, but a 'transitional budget' seems to imply little evidence in the budget as it is presented to us today of any substantial movement towards the sort of objective that we in the British Labour Party and indeed in the Socialist Group generally would accept.

The shape of the 1981 budget is substantially the same as that of the 1980 budget. We see a huge expenditure devoted to building up agricultural surpluses and to storing and disposing of food at great expense to the EEC taxpayer and very little indeed being done to deal with the massive problems of industry and unemployment and assistance to the underdeveloped world. Indeed, looking at the resolution contained in Mr Adonnino's report, I find a consistent and disturbing vein of complacency running through it, a built-in assumption that 1981 is going to be the crunch year and that inevitably we are going to see important changes, particularly changes affecting the weight of agricultural expenditure. This, it seems to me, represents the triumph of hope over experience. There is very little in the statements I have seen so far either from the Commission or from various member governments that leads me to believe that there is any real determination in this Community to ensure that the changes in the agricultural policy which we in the British Labour Party feel are absolutely essential as a first prerequisite for directing Community expenditure towards those areas of industry and regional development where we feel it ought to go. Indeed, we know that we can expect substantial farm-price increases again this year. The thesis that is being put forward, that a shortage of resources will inevitably lead to cuts in the agricultural sector, could quite easily be interpreted in a completely different way, and what we may live to see is a further cutting of expenditure on the Regional and the Social Fund, leaving agriculture very much untouched. That seems to me, on the basis of past experience and present pronouncements, to be just as likely during this year as the other more optimistic forecasts that are being made.

There have been some modifications accepted by the Council, and I suppose that in an imperfect world we must be thankful for small crumbs of comfort; but it seems to me that the pace of change here is abysmally slow. We are moving at something like the speed of the Wright brothers when we ought to be moving at the speed of Concorde in determining this whole question of reforming the agricultural policy. We say that there needs to be a massive shift of resources within the EEC to industry and to employment, but we find very little evidence in this budget that such a shift is going to take place.

In particular, may I remind the House of the recent report put out by the EEC itself which indicates that the EEC's richest regions are now four times as well off as the poorest regions: whereas ten years ago the ratio was three to one, now it is four to one. I am reminded of that biblical quotation, 'To him that hath shall be given and from him that hath not shall be taken away, even that which he hath'. It seems to me that the situation we are in is almost endemic in the whole of the Treaty of Rome, where you have as your major priority the free movement of labour, capital and goods, with the inevitable movement towards the golden triangle, towards the centre of Europe, while areas on the periphery get worse and worse. Therefore we are saying that in this budget one ought, at the very minimum, to be putting back those amendments that deal with the Regional Fund. We see the present appropriation as a very, very poor share indeed of the amount of spending that needs to be done, because it is inconceivable to us a time like this, with the needs of the regions — and most of us in the British Labour Party represent deprived regions — one should be cutting down public spending in these areas in favour of many other activities which we feel to be completely wasteful.

Our comments are similar with regard to the Social Fund and the important measure that it deals with. Although we certainly see a possibility of some help if this proposal with regard to the supplementary budget, is passed — it may provide some alleviation — but even then we shall still be far short of what we consider the desirable target in this area.

As far as steel is concerned, I must recognize the important constitutional arguments that have been put forward by our Danish Members. Nevertheless, it is the view of our Members who represent important steel-making areas, where there have been tremendous losses over the year, where there are still tremendous losses and where the EEC itself has been involved through the use of Article 58, that in view of the crisis in the steel industry we should, despite all constitutional misgivings, support the proposals for providing aid from EEC funds to the steel industry, with its very difficult problems.

There are many other problems I could touch on, Mr President, but shortage of time does not allow me. Just



**Megahy**

let me very briefly mention the whole question of aid to the undeveloped countries, to which, in the wake of the Brandt report, we attach very great importance.

On the British contribution, might I just make this point, because it is very often neglected, that we got only two-thirds of our contribution back. We in the Labour Party said that we ought to have got 100 % of it back. In any case we are still the second largest contributor, and I think that is something that still ought to be remembered. I and my colleagues particularly object to the way in which this money is being used by the present Conservative government to cut down further on public spending instead of increasing it, and I deplore the way in which many of the schemes put forward by local authorities in my own area are being turned down by that government.

In conclusion, Mr President, may I say that I cannot imagine any circumstances in which the British Labour Members could support any budget that came out, but certainly if those important amendments in the areas I have mentioned are not passed by this Parliament, then quite clearly we shall be voting against the acceptance of the budget.

**President.** — I call Mr Battersby.

**Mr Battersby.** — Mr President, I realize time is very short and I shall be brief. I want to speak only on one sector of the agricultural budget, and that is on fisheries, and on one amendment put down by the European Democratic Group Amendment No 119 on schemes relating to a common policy on education and vocational training in the fisheries sector.

Today the Council has been meeting all day on the common fisheries policy and I understand that they will be working through tonight and through tomorrow to come to an agreement. I am sure that we all wish them well in coming to successful outcome of their labours.

At this very moment they are discussing structures, but if one reads the structural proposals from the Commission, the men who man the fleet are not specifically covered. The Commission is proposing 350 m units of account to modernize the fleet, but nothing is there for the men and there is not point in modernizing and adapting a fishing fleet if you do not train men. Fishing is a craft, it is a skill, it is a science and is becoming more and more linked to high technology. The Council has already recognized this truth in agriculture.

If you look at point 812, you will see that for 3 800 000 farmers in 1980 we gave 3.1 m for vocational guidance, that is about one unit of account per farmer. Commitment and payment in the preliminary draft of 1981 is 10 m units of account, which is 2½ units of account per farmer.

Now, we have 150 000 fishermen, and I am asking again in this amendment for 1 unit of account per fisherman. This 150 000 units of account is a bare minimum and if this money is not provided the Council will be committing a major error of judgment and a very foolish and a most avoidable error. The money has to be found and must be applied before the common fishing policy enabling legislation is presented. If you want guaranteed reasonably priced fish you have got to have skilled fishermen, and well-trained young skippers are the seedcorn of the industry. I do not think one unit of account per fisherman is very much to pay towards their future and our future in this sector. I therefore implore my colleagues from all parties to support my group on this amendment.

**President.** — I call Mr Brøndlund Nielsen.

**Mr Brøndlund Nielsen.** — (DK) Mr President, may I be allowed just to say very briefly that I and my colleagues are extremely reluctant once again here in Parliament to vote a series of major additional expenditure into the budget. We shall therefore exercise considerable restraint and vote against many of the amendments, even though we might in fact feel favourably inclined towards a number of them and would like to support the measures in question once it becomes possible to increase the Community's resources.

I wish to add that we shall definitely have to vote against paragraphs 5 and 6 of Mr Adonnino's resolution, and if we do not succeed in having them deleted then we shall eventually also have to vote against the resolution as a whole.

Mr President, it is most regrettable that there is apparently what I might almost call an institutional conflict of interests between the sphere of influence assigned to this Parliament, concentrated as it is on non-compulsory expenditure, and that sector which has been developed furthest towards a true Community policy, namely the common agricultural policy. I should like to say to some of the critics who have spoken here today that what this agricultural policy needs is that we should expand Community policies in other areas so that we get rid of the monetary compensatory amounts and the various national aid schemes.

To Mr Arndt, for instance, who argues that the problems cannot be solved by regulating prices, I wish to say: No, our first concern should be to press on with harmonizing conditions in the individual countries. I do not propose to name any specific countries, but if you think about it you will find that in a couple of very big countries which give their farmers various advantages and subsidies you have precisely that substantial increase in milk production which is under attack. If, on the other hand, you look at another

**Brøndlund Nielsen**

country, a small country which cannot afford such measures — I am not talking about my own country, but I can say that it is the westernmost country of the Community, a country with a very large, and potentially even greater milk production — you find that its production is stagnating or may even be in decline. I think this shows us that what is needed also in the field of agricultural policy is to make progress towards a true common policy. Mr Megahy said, as far as I understood him, that 'again this year' we would see considerable increases in farm prices. Well, this shows that the honourable Member has just not been following developments over the past few years. For some years now we have not had any real increases in farm prices, and in my view the increases we had this year are much lower than was justified by inflation.

I very much regret the course the budget debate here in Parliament has taken on this occasion. It has been stressed very strongly, by Mr Arndt I think, among others, that we must have the largest possible majority in Parliament. But this is not easy when we have a large faction that always chooses to attack the common agricultural policy, which is the only genuine common policy at the present time.

We are quite prepared to support the Community's refusal to endorse these constant increases in expenditure. We would also appeal to the Member States to pursue common policies in a number of sectors so as to create conditions that would help to safeguard and build upon the results obtained by the Community — not least in the agricultural sphere.

**President.** — I call Mr Castellina.

**Mr Castellina** — (*I*) Mr President, after listening to the speeches of the Members of this Parliament, all of which are very critical of the budget proposed to us by the Council, I do not understand why the majority of the groups apparently intend to approve it.

I am familiar with the considerations advanced in justification of this incoherent attitude. Firstly, there is last year's experience which led, after the rejection of one budget, to the approval of an even worse one many months afterward. Shouldn't this experience have provoked a critical reflection not on last December's rejection but rather on the inertia which followed it? One must also mention the inability of this Parliament to use the opportunity afforded by the vote on the budget to impose a radical revision of the nature and structure of the budget itself.

Secondly, there is the attitude which holds that it would be meaningless to reject this budget, since it is a transitional one. I believe that at least two different points should be raised on the basis of this assertion: above all the fact that we have no guarantee that this budget is really the last of a series, for in reality no

serious discussions have been held and no concrete measures taken by the Commission and the Council to effect a budgetary reform within a short period of time. A negative vote would therefore today constitute the necessary stimulus for adopting a different attitude in the future.

Time does not permit me to comment on the merits of the budget, but to summarize I may say that there is not one chapter which is satisfactory, whether in quantitative or in qualitative terms, because as a whole this budget confirms the basic mechanism which determines the life of the Community: an appeal for solidarity made to the poorest countries and social groups, without any real solidarity in their favour on the part of the Community. This is the meaning of the agricultural policy, of the regional policy, of the EMS, and of cooperation with the Third World, not to mention the scandalous waste of money indulged in by this institution in the course of its own operation.

These months of work on the budget, the laborious presentation of amendments to the Commission's preliminary draft, then the Council's first cut, and then its second cut have meant months of frustration, since our efforts are futile, as we have all known from the beginning. The vote of approval we are about to take as another series of amendments will be equally useless. After a few months we shall find ourselves once again with a budget just like the one first planned by the Council. It would have been more useful to employ this time in a general discussion on the nature and structure of the budget itself and on the powers of the various Community institutions.

**President.** — I call Mr Motchane.

**Mr Motchane.** — (*F*) Mr President, Bertrand Russell said that mathematics is a subject in which we never know what we are talking about, nor whether what we are saying is true. Well now, during this budgetary debate, I have often wondered if this was not a meeting of mathematicians rather than of political representatives. I have wondered, when observing, for example, the gap which exists between the remarks that have been made, the spirit and, above all, the ideology of the motion for a resolution tabled by our rapporteur, Mr Adonnino, and the social, economic and political reality of the crisis and also the reality of the draft budget on which we have to deliver our opinions. I wondered when hearing various speakers, Mrs Scrivener, for example, criticize in detail certain aspects of a motion for a resolution which they are preparing to vote for unanimously.

In fact, when we see the comments in this text on the Community policies and on the common agricultural policy in particular, how can we deny that the unavowed philosophy underlying it is the one expressed a long time ago and in different circum-

## Motchane

stances with the words: 'Kill them all, God will recognize his own.' That, without saying so, is what we are resigning ourselves to in respect of the farming community. And to a large extent, Mr President, that is what the present situation in the Community means for the workers who have been hit by the crisis, to judge by this Assembly's demands for more resources to ward off the consequences of a policy that some claim to confuse with natural disasters.

Mr President, the crisis is not an earthquake. It is not by bringing articles of the Treaty into operation after the event — Article 58 of the ECSC Treaty, for example — when the situation is already serious or even desperate for many sectors of the iron and steel industry, it is not by bringing these articles into operation after the event, without questioning the fundamental acceptance of this general free trade, which in the Community is nothing more than the law of the strongest, it is not by pursuing this policy of voluntary blindness that an answer can be given to the questions which have been put to us. Nor, Mr President, will the answer be found by approaching the problem from the angle of its budgetary consequences.

As regards this second reading, it seems difficult to me not to be struck by the apparent movement in this Assembly towards exactly the same position as it adopted during the first reading, which consisted in retabling all the proposals it had adopted some weeks before. But, Mr President, I am not sure that this is the most responsible attitude that can be adopted by an Assembly which, in my opinion, is wrong to insist on an increase in its powers when in fact it should be more concerned with exercising those it already has more seriously. In the text of our rapporteur's motion for a resolution there is an appeal for a review of the Treaties, whereas our problem is using the Treaties as they stand, trying to use the parliamentary procedures and the Community budget to place additional resources at the disposal of national policies where they seek to prevent unemployment.

The question we must ask ourselves is whether it is enough for this Assembly to call, almost automatically, for an increase in resources for the regional policy, the social policy and so on without knowing if the means exist to ensure this money will be properly used, without knowing if the action we are calling for is likely to stop one man from losing his job. I therefore feel it would be reasonable to make a selection from among all the amendments that have been tabled during the second reading. Some Members have already indicated the general direction of this choice: we cannot talk about priorities when we go on reading all the chapters of a book equally insistently. At the second reading, our priorities are development aid, energy and the social aspects of the ECSC. But it goes without saying that, whatever the outcome of the decisions we take, if what this Assembly wants is to create a situation in which the increase in the margin that results from our vote is such as to cause a crisis between the Council

and the Assembly, if that is the goal of some Members here, it would be better to explain straightaway why we are being led towards this crisis situation. It would then be simpler and more honest, and more political, to reject the budget, in other words to put forward here and now a motion for a resolution rejecting, whatever the outcome of the conciliation meeting, the draft budget that has been submitted to us.

**President.** — I call Mr Barbi.

**Mr Barbi.** — *(I)* Mr President, ladies and gentlemen, last year upon the presentation of the first Community budget to be examined by a Parliament directly elected by the people of Europe, I, along with the entire group of the European People's Party, had no hesitation in proposing its rejection. This was above all a political act which had to be accomplished in order to underline strongly, before European public opinion, the principle power of the newly elected European Parliament: namely, the participation in the Community budget authority. We did this with a significant 80 % majority and obtained undeniable political results. It was a question also, however, of indicating the will of Parliament in defining the general outlines of Community policy. It is at this point that our weakness, or rather our impotence, was revealed, not only because that 80 % majority shrinks considerably when it comes to matters of policy — one only has to think of the differing opinions held here regarding common agricultural policy and the new Community policies to be proposed and funded — but also because we were brought to realize that real power, also in budgetary matters, belongs in this Community to the Council of Ministers, and to it alone. In rejecting the first draft budget for 1980, the European Parliament certainly intended to step up and accelerate Community action. The practical result of this rejection, at least in the first half of the year, was a deceleration and reduction of activity, for the Council, postponing the approval of the new budget until nearly July, forced the Community to proceed on the basis of provisional twelfths, that is, at the pace of 1979, still further slowed by the effects of inflation. For this reason, at the beginning of November of this year I here suggested the approval of the draft budget for 1981. What occurred in the course of this month — the conciliation procedures, the new supplementary budget for 1980, with its bickering over the VAT percentage — has confirmed my opinion. Mr Notenboom has already spoken very well on this subject, and I will add no more to his remarks. It will serve no purpose to reject the budget this year. Why? First of all, the value of the political gesture was exhausted by Parliament's action of last year. Secondly, nothing concrete is obtained in this manner, neither substantial increases in the appropriations for policies Parliament wishes to develop, nor for the elaboration and funding of new policies. Why? Above all, because the available space for manoeuvre is very small, even insignificant; because the real decisions

**Barbi**

regarding the choice of new policies are still in the hands of the Council; and finally because, in order to implement any new Community policy effectively, it is necessary to increase the Community's financial resources to a significant degree.

We must therefore clearly and strongly reaffirm that the responsibility lies with the governments of the Nine — or rather of the Ten — and with the political forces which support them in their respective countries.

This Assembly, and in particular this discussion of the budget, constitutes a public tribunal, before which all democratic parties and their leaders should be made aware of their responsibilities. From this tribunal, therefore, I, as a Christian-Democrat and as an Italian, appeal above all to the Christian-Democrats who govern in Belgium, the Netherlands, and in Luxembourg, calling upon them to be more coherent and more courageous in supporting Community policies and to rely on that pro-European spirit which is the practice and principle of our party. I believe I can also appeal, on the grounds of the European coherence of my party and of the Italian government, to the authorities of the other European parties represented in this Parliament who govern other Member States: the Socialist Party, above all, which has a relative majority and which is in power in Germany, one of the largest countries in the Community; the Liberal Party, which is in power in France, and the Conservative Party, which is in power in England. The leaders of these parties must explain to European public opinion how it is possible to announce, in solemn and much publicized meetings of the European Council, the desire to initiate new policies, and at the same time reject absolutely any corresponding increase in the Community's financial commitments.

This is what occurred after Bremen, where a Community monetary policy was initiated, creating the EMS; this is what occurred after Venice, where a Community energy policy was solemnly announced; this is what we fear will occur after the excellent political declarations of Mr Schmidt and Mr Giscard in last week's Council in Luxembourg regarding the earthquake in southern Italy.

Ladies and gentlemen, in order to sustain the EMS, it is necessary to conduct a policy of economic convergence among the Ten, as we discussed several months ago in this Parliament. Such a policy cannot be implemented without thousands of millions of EUAs. Do Presidents Schmidt and Giscard believe they are really doing anything concrete to demonstrate European solidarity to a large area of Europe itself when they offer fine speeches without these millions of EUAs? The reconstruction of the Mezzogiorno, an enormous area where some 5 million Europeans live, cannot be accomplished merely by the political speeches of Mr Giscard and Mr Schmidt.

Members of the Liberal and Socialist parties, you who support the governments of Mr Giscard and Mr Schmidt must explain to these governments that if they wish for a European policy in this area, as in the other areas announced by the Council of Ministers, many thousands of millions of EUAs are needed. This is the proving ground for the political forces and their respective governments, where Parliament must fight its new political battle on the road of European unity.

It is not this budget which concerns us, much less the few hundreds of million EUAs which may be at stake in it. The vital issue is the substantial, serious, and realistic increase of own resources, not for the purpose of increasing the deficit on national budgets — as some Socialist, Liberal, and Conservative leaders demagogically affirm — nor for increasing the financial burden of the European taxpayer, but rather to create those Community policies already indicated by the Council, policies which can substitute for and so reduce national expenditure and which can offer more productive results precisely because they are on a European level, on an enormous market, with the greatly increased capabilities of the common effort.

In my opinion, therefore, the discussion of this budget can only have one conclusion: the realization of the inadequacy of Community resources in relation to the aims laid down in the Treaties and the policies already indicated by the Council. In consequence, political consistency demands the decisions necessary for the increase of these resources. Only in this way will the European political forces establish a coherent Community policy which corresponds to the needs of European citizens.

**President.** — I call Mr Fich.

**Mr Fich.** — (DK) This year's budget procedure has really been out of the ordinary. Whereas last year we rejected the budget and this delayed the whole procedure for a long time, this year we have used the budget procedure for a totally different purpose, namely to make the point that the budget can serve as a policy-making instrument, that the budget is no longer simply a reflection of policy decisions already taken, but can to a considerable extent be exploited as a political weapon in its own right. Let me give two examples.

Firstly, in the agricultural sector, a group in this Parliament proposed reducing appropriations for skimmed milk by 50 m EUA and transferring 250 m EUA to a reserve. Both proposals were adopted here and later accepted in the Council of Finance Ministers, although several governments voted against. Had the normal procedure been followed, as it has always been in the past, namely that agricultural policy decisions are taken by the Ministers for Agriculture, that sort of thing would never have got through. Any one country would have had the right of veto in accordance with

## Fich

the Luxembourg Agreement of 1966, and then we would have had an agricultural policy agreed by all. Now we find in this case the budget procedure being used to get agricultural policy decisions taken by a simple majority. This is unquestionably a dangerous trend.

Another example is education. Everybody here knows that one government has vetoed the introduction of a Community policy on education. Nevertheless, this year we witness the budget procedure being used to try to introduce an education policy in the Community, an area which in my view lies outside the Community's sphere of activities. Unfortunately for many of the Members, the proposal fell because not enough of them were present at the time of the vote. But it could so easily have been carried. Had this happened, the fundamental rules governing the budget procedure would have been flouted once again. It is a very dangerous thing to use the budget, for want of other ways, as a political weapon. Budgets are strictly speaking like household accounts, which should reflect decisions taken.

Let me add that I think everyone here ought now to unite in efforts to ensure that adoption of the budget is not delayed. As far as Parliament is concerned this means that we must show some restraint in the demands we make. Obviously we should not right away renounce all our demands, but there is a limit beyond which we should not go. I warn those who are thinking of doing so not to do it. It would be a *de facto* rejection of the budget, which would serve no one. It is in no one's interest that we should once again start a new year under the system of provisional twelfths. That would holdback financial support for areas that we all wish to encourage, such as work on alternative energy sources, development aid, etc. I therefore urge that we adopt a very moderate stand, supporting the priorities laid down, without going any further.

**President.** — I call Mr Spencer.

**Mr Spencer.** — Mr President, I shall try and be as brief as the people who are absent. I really commit myself to welcoming Supplementary Budget No 2. I would however point out that the increase in Social Fund payments should be 100 million not 60 million. The Council has got us into this mess; the Council will have to get us out of it. I trust therefore that Parliament will, in due course, vote for 100 million on the Social Fund in addition to 40 million for the Italian earthquake.

Secondly, even more briefly, I just wish to call on the Council to act on the steel measures. The situation has got no better, it has in fact got worse and nothing can be crueller than to raise expectations for social aid to the steel industry and then to do nothing throughout three Councils.

**President.** — I have no further speakers on my list.

The debate is closed.

The motion for a resolution will be put to the vote at the next voting time.

## 8. Agenda

**President.** — I wish to remind the House that the debate on the Hoff report (Doc. 1-704/80) has been held over until the sitting of Thursday, 18 December, after the vote on the budget.

## 9. Urgent procedure

**President.** — I have received the following motions for resolutions with request for urgent debate pursuant to Rule 14 of the Rule of Procedure:

- by Sir Henry Plumb and others on support for development and training in farming and rural life (Doc. 1-687/80)
- by Mr Glinne and others, on behalf of the Socialist Group, on the procedure for recruitment to the institutions of the European Communities, particularly as regards Greek candidates (Doc. 1-714/80);
- by Mr de la Malène and others, on behalf of the Group of the European Progressive Democrats, on the situation in the textile and clothing industries (Doc. 1-725/80);
- by Mr Lomas and others, on the law on British nationality (Doc. 1-728/80);
- by Mr Klepsch and others on aid to Poland (Doc. 1-718/80)
- by Mr de la Malène and others on the situation in Poland (Doc. 1-740/80/rev.);
- by Mr Klepsch and others, on behalf of the Group of the European People's Party (C-D Group), by Mr Glinne and others, on behalf of the Socialist Group and by Mr Berkhouwer and others, on aid to Poland (Doc. 1-743/80);
- by Mr Galluzzi and others on the situation in Poland (Doc. 1-744/80)

The reasons supporting these requests are contained in the documents themselves.

These requests for urgent debate will be put to the vote at the beginning of tomorrow's sitting.

10. *Agenda for next sitting*

**President.** — The next sitting will be held tomorrow, Wednesday, 17 December 1980 with the following agenda:

*9 a.m. to 1 p.m. and 3 p.m. to 7 p.m.*

- Decision on various requests for urgent debate
- Council and Commission statements on the European Council of 1 and 2 December 1980 and Council state-

ment on the Luxembourg presidency (followed by a debate)

- Bonaccini report on the European automobile industry

*5.30 p.m. to 7 p.m.*: Question Time

The sitting is closed.

*(The sitting was closed at 7.25 p.m.)*

## SITTING OF WEDNESDAY, 17 DECEMBER 1980

## Contents

1. Approval of minutes . . . . .	110	Question No 57, by Mr Turcat: Long-term space policy: Mrs Flesch; Mr Turcat; Mrs Flesch; Mr Purvis; Mrs Flesch . . . . .	162
2. Documents received . . . . .	110	Question No 59, by Mrs Ewing: Crisis in the Scottish boat-building industry: Mrs Flesch; Mrs Ewing; Mrs Flesch; Mr Provan; Mrs Flesch; Mr Hutton; Mrs Flesch	163
3. Urgent procedure: Point of order: Mr Sieglerschmidt . . . . .	110	Question No 60, by Mr Adam: Energy supply costs: Mrs Flesch; Mr Adam; Mrs Flesch; Mr Marshall; Mrs Flesch; Mr Paisley; Mrs Flesch	164
Mr Ferri; Mr Früh; Mr Curry; Mr Früh; Mr Chambeiron; Mr Sieglerschmidt; Mr Nord; Mr Deleau; Sir Frederick Catherwood; Mr Galland; Mr Lomas; Mr Haagerup . . . . .	110	Question No 61, by Mr Michel: Project for further nuclear power stations in Chooz: Mrs Flesch; Mr Michel; Mrs Flesch; Mrs Weber; Mrs Flesch; Mrs Lizin; Mrs Flesch . . . . .	164
4. European Council — Luxembourg Presidency — Situation in Poland: Mrs Flesch (Council); Mr Jenkins (Commission); Mr Glinne; Mr Klepsch; Mr Scott-Hopkins; Mr Segré; Mr Haagerup; Mr Nyborg; Mr Coppieters; Mr De Goede; Mrs Van den Hewel; Mr Estgen; Mr Fergusson; Mr Wurtz; Mr Galland; Mr de Lipkowski; Mr Capanna; Mr Romualdi; Mr Estier; Mr Jonker; Mr Israël . . . . .	115	Question No 62, by Mr McCartin: Free movement of goods and services in border areas in Ireland: Mrs Flesch; Mr McCartin; Mrs Flesch; Mr Paisley; Mrs Flesch; Mr Moreland; Mrs Flesch	166
Points of order: Mr Paisley; Mr Scott-Hopkins Mr Israël; Mr Paisley; Mr Ruffolo; Mr Antoniozzi; Mr Fischbach; Mr Giavazzi; Mr Haferkamp (Commission); Mrs Flesch (Council); Mr Fantì; Mr Goppel; Mr Estier; Mr Fergusson; Mr Arndt; Mr Calvez; Mr Fergusson; Mr Prag . . . . .	142	Question No 64, by Ms Clwyd: Consultation of Parliament by Council: Mrs Flesch; Ms Clwyd; Mrs Flesch; Mr Sieglerschmidt; Mrs Flesch; Mr Provan; Mrs Flesch; Mrs Buchan; Mrs Flesch . . . . .	167
5. European automobile industry — Report (Doc. 1-673/80) by Mr Bonaccini (Committee on Economic and Monetary Affairs): Mr Bonaccini, rapporteur . . . . .	152	Question No 66, by Mr Hutton: Information on Council meetings: Mrs Flesch; Mr Hutton; Mrs Flesch; Mrs Kellett-Bowman; Mr Sieglerschmidt; Mrs Flesch . . . . .	168
Mrs Agnelli; Mr Barbagli; Mrs Flesch (Council); Mr Moreau; Mr Herman; Mr Hopper . . . . .	154	Point of order: Mrs Kellett-Bowman . . . . .	168
6. Question Time (Doc. 1-686/80): Questions to the Council: Question No 50, by Mr Berkhouwer: Construction of a building for the General Secretariat of the Council: Mrs Flesch (Council); Mr Berkhouwer; Mrs Flesch; Mr Enright; Mrs Flesch; Mr Price; Mrs Flesch . . . . .	161	Mr Marshall; Mrs Flesch; Ms Clwyd; Mrs Flesch; Mr Christopher Jackson; Mrs Flesch; Mr Herman; Mrs Flesch . . . . .	168
Question No 51, by Mr Moreland: Consultation procedure and setting up of a committee in the field of transport infrastructure: Mrs Flesch; Mr Moreland; Mrs Flesch . . . . .	161	Point of order: Mr Paisley . . . . .	169
		Questions to the Foreign Ministers: Question No 79, by Mr Wurtz: Berufsverbot (exclusion from public service employment) in the Federal Republic of Germany: Mrs Flesch (Foreign Ministers); Mr Wurtz; Mr Balfé; Mrs Flesch; Mr Sieglerschmidt; Mrs Flesch; Mr Israël . . . . .	170

<i>Question No 80, by Mr Balfe: Imprisonment of Ms Eunice Dorothy Card:</i>	
<i>Mrs Flesch; Mr Balfe; Mrs Flesch; Mrs Le Roux; Mrs Flesch . . . . .</i>	171
<i>Point of order: Mr Balfe . . . . .</i>	171
<i>Mr Deschamps . . . . .</i>	171
<i>Question No 81, by Mrs Hammerich: Talks on joint naval operations:</i>	
<i>Mrs Flesch; Mrs Hammerich; Mrs Flesch; Mr Skovmand; Mrs Flesch; Mrs De March; Mrs Flesch; Mr Radoux; Mrs Flesch . . . . .</i>	172
<i>Question No 82, by Mr Israël: Additional information regarding the joint communiqué issued with the Arab States on 13 November 1980:</i>	
<i>Mrs Flesch; Mr Israël; Mrs Flesch; Mr Galland; Mrs Flesch; Mr Marshall; Mrs Flesch . . . . .</i>	172
<i>Point of order: Mr Provan; Mrs Flesch . . . . .</i>	173
<i>7. Urgent procedure . . . . .</i>	173
<i>8. Agenda for next sitting . . . . .</i>	174
<i>Annex . . . . .</i>	175

## IN THE CHAIR: MRS VEIL

*President*

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

**President.** — The sitting is open.

### 1. *Approval of minutes*

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

Since there are no comments, the minutes of proceedings are approved.

### 2. *Documents received*

**President.** — I have received several documents, details of which will be found in the minutes of proceedings.

### 3. *Urgent procedure*

**President.** — The first item on the agenda is the decision on the urgency of various documents.

We shall begin with two *proposals for regulations on isoglucose (Doc. 1-700/80)*.

I call Mr Sieglerschmidt on a point of order.

**Mr Sieglerschmidt.** — (D) Madam President, I do not have the document you have just mentioned. On

my own initiative I in fact obtained a copy of the Commission document last night, but it has no Parliament number on it and was not officially distributed as a Parliament document.

I want to make use of this opportunity, Madam President, to point out that the documents in connection with three requests for urgency on Poland are not yet available and that yesterday several documents which were down on the agenda were distributed only in the course of the day. I really wonder if Parliament can work in this fashion, Madam President. I do not wish to raise any procedural objections, but if things go on like this, we shall be forced to resort to the Rules of Procedure and raise strong objections against dealing with documents which are not placed on the agenda until the very day of the sitting or which are not even available at all.

**President.** — With regard to the two proposals for regulations on isoglucose, they have been distributed in all the languages even if they do not have Parliament's reference numbers. We received them from the Council yesterday but had no time to reproduce them.

As for the other documents which have indeed not been translated into all the languages, I propose that we do not consider them until tomorrow.

I call Mr Ferri.

**Mr Ferri, Chairman of the Legal Affairs Committee.**

— (I) Madam President, ladies and gentlemen, I have asked to speak on this request for urgency because, as the House knows, it stems from a Court of Justice case in which Parliament intervened. In its judgment of 29 October last the Court reaffirmed Parliament's inviolable right to perform its institutional role of consultation in the legislative procedure of the Community.

Having said that — and in view of the fact that the sole purpose of Parliament's intervention was to safe-



Ferri

guard this role and this right without in any way interfering in the matter — I feel I have to point out, in my capacity as chairman of the Legal Affairs Committee, that when it comes to proper compliance with the consultation procedure and mutual respect for the powers of the institutions, and when we have to deal with proposals for regulations which are manifestly urgent, it is our duty to make every effort to ensure that the consultation procedure is completed as quickly as possible. It would be unthinkable if there were some kind of delay — I do not want to say 'delaying tactics', as this would be too harsh a term — which could perhaps jeopardize the powers and the functions of the Community.

For my part, therefore, I have to say that I am in favour of urgency. There is one thing I want to say, however. If the request for urgency is to be justified, this eagerness for swift action has to be sought not only from Parliament, but first and foremost it has to be demonstrated by the institution making the request. I note that, although the Court judgment necessitating these proposals was delivered on 29 October last, the proposals themselves were not submitted to Parliament until 9 December. This means that the Commission, and therefore the Council, let 40 days go by before attempting to consult us. At this stage, you cannot ask Parliament to do its work in a couple of days, because we have to bear in mind the requirements of the Committee on Agriculture.

*(Applause from certain quarters)*

Once this has been done and, again, in a spirit of collaboration which will have to be developed and defined better when we come to a thorough discussion of the consultation procedure, I think it will be possible to reach a satisfactory conclusion for all concerned which will not be counter to the interests of the Community. Let the Council forgo its request for urgency while Parliament, and of course the Committee on Agriculture, undertake to present our opinion at the next part-session in January. I feel this would be a balanced solution, fair to both sides, which can be reached for our mutual satisfaction and — I say it again — in the interests of the Community.

*(Applause)*

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

**Mr Früh.** — *(D)* Madam President, I can be quite brief after what Mr Ferri has said. There is just one thing I want to say. The Committee on Agriculture decided on 4 and 5 of this month that it would not support this urgency. However, I agree with Mr Ferri's proposal that the committee see to it that the House can reach a decision on urgency at the January part-session, since we can discuss the matter on

12 January. We do not think the matter is really as urgent as it is made out, firstly because so many days have gone by and secondly because this regulation, if it were to come into force, would be backdated to 1 July 1979. On behalf of the Committee on Agriculture I am therefore against urgent procedure.

**President.** — I call Mr Curry.

**Mr Curry.** — Madam President, I am slightly alarmed at the implications of what you said. You seemed to be saying that, provided we have seen the documents at least ten seconds before we vote, the process of consultation of this Parliament is adequately fulfilled. Surely it is not simply a question of having the documents available; it is a question of having them available in adequate time to examine them, to digest them and to study them.

*(Applause)*

On a simple point of information, Madam President, I do not have the documents on isoglucose.

**President.** — They were distributed yesterday, Mr Curry.

*(Parliament rejected the request for urgent procedure)*

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**President.** — According to the agenda we were now supposed to consider the Council's request for urgent procedure in respect of the *proposal for a regulation on fishery products (Doc. 1-635/80)*.

Since the text is available in only four languages — we are missing Danish and Dutch — we cannot vote on this request for urgency. In the circumstances, I propose that the decision be deferred until tomorrow.

Since there are no objections, that is agreed.

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**President.** — We shall now consider the Council's request for urgent procedure in respect of the *proposal for a regulation on the use of hormones in domestic animals (Doc. 1-580/80)*.

I call Mr Früh to speak on behalf of the Committee on Agriculture.

**Mr Früh.** — *(D)* Speaking again on behalf of the Committee on Agriculture, Madam President, I want

**Früh**

to say that we cannot agree to urgency. This is an important problem we have to deal with, and there can be no doubt that the Committee on Agriculture is going to devote careful attention to it. However, there is also the problem of having to work at short notice, which has until now prevented us from discussing it properly. Another thing is that the Commission proposal is controversial. The Committee on the Environment, Public Health and Consumer Protection, which is also working on this — and this is tremendously important in our view — has intimated that it would like our committee to take account of its opinion, which again because of the short notice is not yet ready. Thirdly, the Commission proposal has been significantly changed. The proposal for a regulation has led to a proposal for a directive, and this means that there is now less call for urgency. For the sake of proper and thorough discussion, Madam President, I urge the House to go along with the vote of the Committee on Agriculture and reject urgency. In this case, too, we shall see to it that the House can discuss the matter at the January part-session. We shall arrange a meeting in connection with this before then.

*(Parliament rejected the request for urgent procedure)*

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**President.** — We shall now consider the Council's request for urgent procedure in respect of the *proposal for a regulation on the market in cereals (Doc. 1-701/80)*.

I call Mr Früh to speak on behalf of the Committee on Agriculture.

**Mr Früh.** — (D) I am very sorry, Madam President, but I must again recommend rejection of the request on behalf of the committee. Even if urgency could be justified on political grounds, you have to ask yourself why this proposal was submitted so late, because Protocol 19 to which this request for urgency refers has been in existence since 1973. Accordingly, we fail to see why it has to be dealt with right now. It will do no one any harm if there is some delay. I once again recommend rejection of the request for urgency.

*(Parliament rejected the request for urgent procedure)*

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**President.** — We shall now consider the Council's request for urgent procedure in respect of the *proposal for a regulation on the market in sugar (Doc. 1-741/80)*.

I call Mr Früh to speak on behalf of the Committee on Agriculture.

**Mr Früh.** — (D) Madam President, since we cannot rush through consideration of such an important regulation, which in any case will not come into force until July next year, I beg to inform you that the Committee on Agriculture rejects the request for urgency. Let me also say, by way of conclusion, that our committee constantly has so many documents which need thorough examination that we should like to receive them earlier, so that we can do our work properly. We are ready and willing, and for this reason we want to be able to work thoroughly and systematically. I ask the House again to defer this matter to the January part-session.

**President.** — I call Mr Chambeiron.

**Mr Chambeiron.** — (F) Madam President, I wanted to speak against urgency.

My colleague, Mr Paul Vergès, intended to speak on this request for urgent procedure yesterday morning, but the unavailability of the documents meant that the item was deferred until this morning, and since Mr Vergès has other engagements which he must honour, he asked me to speak in his place.

I echo what was said by the rapporteur of the Committee on Agriculture. I have looked at the text which the Council has sent us, and frankly I cannot find any reason to justify this request for urgent procedure. The current Community production arrangements in the sugar sector run out in fact next 30 June. Consequently, there is no risk of finding ourselves in a legislative hiatus and, given the circumstances, I am pushed to understand why the Commission is asking for a rush decision, unless the Council's idea is to force on to Greece, before 1 January next year, measures restricting its own sugar production. This would not surprise me.

I do want to remind the House that this is a regulation which runs for five years and we must not ignore the fact that it includes some provisions which have prompted vigorous reaction among producers as a whole. What is more, we have to realize that some of the provisions in this text will have repercussions on the sugar arrangements annexed to the Lomé Convention. We also have to realize that this text jeopardizes production in our overseas departments. It is common knowledge that in these departments the regulation on sugar has aroused considerable feeling and is opposed by all the planters' associations.

For all these self-evident reasons, and unless we are ready to make do with a rush job, it will not be proper to take any decision without hearing the opinions of the appropriate committees, the Committee on Agriculture, the Committee on Budgets and the Committee on Development and Cooperation. We shall therefore be voting against urgent procedure, although at the same time we hope that the matter will be dealt

**Chambeiron**

with in a report as soon as possible, so that we can then take a decision in the calm and informed manner which is essential in our view for such a debate.

*(Parliament rejected the request for urgent procedure)*

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-687/80) by Sir Henry Plumb and others: Support for development and training in farming and rural life.*

*(Parliament adopted urgent procedure)*

The motion for a resolution will be placed on the agenda of Friday's sitting.

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-714/80) by Mr Glinne and others on behalf of the Socialist Group: Recruitment procedure in the institutions of the European Communities, particularly in relation to the Greek candidates.*

I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — (D) Madam President, ladies and gentlemen, on several occasions this year Parliament has considered the issue of recruitment. The Commission has given us the relevant information and has also informed us about what was said in the Greek Parliament on the matter. The information was far from satisfactory because, although everything on the surface seemed to be in order, the Greek Government stuck to its principle that it wanted to follow a kind of selection procedure between those who were for the European Community and those who were opposed to it. The Greek Government said this in Parliament itself.

I do not want to go into the matter here, Madam President. I just think that we ought at least to have a short debate just before our Greek colleagues take their place in Parliament, so that the situation can be made clear. In this motion for a resolution we have tabled, we have asked a number of relevant questions which try to get behind the purely formal consideration of the matter and find out what in fact is actually happening with regard to recruitment procedure, i.e. with regard to differences between applicants who are proposed by their government and those who apply directly, and what the situation is as regards the collection of information. I think it would help matters

here in Parliament, when our new Greek colleagues arrive, if we had this debate this week.

**President.** — I call Mr Nord to speak on behalf of the Liberal Democratic Group.

**Mr Nord.** — (NL) Madam President, our group is against urgent procedure in the case of this motion for the following reasons. Discrimination on political grounds in the recruitment of staff for public service cannot of course be tolerated, and I am sure we all agree on that. In any case, this is expressly stated in the staff regulations. But it is really not on in our view, a few weeks before our Greek colleagues take their place here and can participate in this kind of debate, suddenly to use the last opportunity before they arrive to organize a debate about them and without them. This motion should go to the appropriate committee and the Greek Members should take part in the discussion, since there is no doubt they will have a lot of interesting things to say. After the matter has been properly studied in committee, it can come back to the House if that is still necessary. But let us not be too quick to arrange a debate about our Greek colleagues without their presence here. Our group is consequently against the request for urgent procedure.

*(Parliament rejected the request for urgent procedure)*

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-725/80) by Mr de la Malène and others on behalf of the Group of European Progressive Democrats: Situation in the textile and clothing industry.*

I call Mr Deleau.

**Mr Deleau.** — (F) Madam President, ladies and gentlemen, there is no question about the need for urgent consideration of the situation in the textile and clothing industry, in view of the perilous situation of this vital economic sector just before the multifibre agreement is about to be renewed. Urgency is justified by the fact that in the last seven years, since the agreements have been in force, a tremendous number of jobs have been lost in the textile and clothing industry.

In Europe 700 000 jobs have gone, and half of these redundancies have been caused by the pressure of imports. If we look at France alone, in the first nine months of 1980 imports took 51 % of the market compared with 42 % in 1978. By way of comparison, imports account for only 15 % of the market in the United States. All the forecasts for the coming months paint a very gloomy picture. It is essential in economic terms, and especially in social terms, to halt this down-

**Deleau**

hill trend, and this is the justification for our request for an urgent debate.

On the eve of talks for a new GATT Multifibre Arrangement, however, it seems that the Commission is a long way from understanding this and that it fails to appreciate properly the situation which has arisen. Things reached such a pitch that on 30 October the trade union organizations in the European Confederation of Trade Unions broke off the talks they were having with representatives of the Commission. It is unthinkable to follow policies which will lead to the closing of industries which even now provide 600 000 jobs in France and 3 400 000 throughout the Community. This is why we want this debate, which is intended to encourage the Commission to take a more realistic view of these socio-economic problems. If the House decides against the urgency of this motion, however, it will still be necessary to have a big debate on this vital matter without delay. We would ask for our motion — which, let me say, is constructive — to be included in the debate.

**President.** — I call Sir Frederick Catherwood to speak on behalf of the Committee on External Economic Relations.

**Sir Frederick Catherwood.** — Madam President, I would like to say, as the chairman of the Committee on External Economic Affairs, that multifibres are coming up for discussion at our next committee meeting when we will be appointing a rapporteur. I would like to assure my colleague that we will deal with this subject with the greatest urgency, bearing in mind all the points that he has made. I do not really think that an urgent debate would be helpful at this time as we are about to begin work on the matter in the responsible committee. I am therefore against urgency here, but I note all the points that my colleague has made.

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

**Mr Galland.** — (F) Madam President, the motion before us concerns a very important problem — the situation in the textile and clothing industry — but the Liberal and Democratic Group intends to vote against urgent procedure because resorting to Rule 14 is not the right way to go about dealing with such a problem.

How can we expect the Commission and the Council to pay any attention to a vote taken by a handful of Members on the morning of Friday, 19 December? How could Mr Fanton give serious consideration to querying the multifibre agreement, slapping percentage restrictions on imports and introducing new customs duties, unless the relevant parliamentary committees had studied the matter thoroughly — as

Sir Frederick Catherwood just said — and unless there had been a proper motion and a thorough debate in the House? If we really want to affect the decisions which must be taken in the textile industry, we must on no account adopt urgency. A hasty or improvised response like this can only harm the industry instead of helping it.

I shall be quite blunt in telling the honourable Members in the Group of European Progressive Democrats that we thought their use of Rule 14 in this case was just a political ploy. In order to have a serious debate about the textile industry — and about the car industry for that matter — we are ready to put our faith in the efficiency and reputation of the European Parliament. We shall therefore be voting against urgent procedure, so that we can take a more thorough look at this problem as we always do in this House.

(Applause)

(Parliament rejected the request for urgent procedure)

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-728/80) by Mr Lomas and others: British nationality law.*

I call Mr Lomas.

**Mr Lomas.** — Madam President, I hope Parliament will accept the request for urgency on this matter, because the British Government has, in fact, announced that its new proposals on nationality will be put to the British Parliament during the current session. That is the reason for urgency.

I hope, Madam President, that whatever our views on the EEC and its various principles, one thing that we would all agree upon is the right of free movement for its citizens and the right of establishment. But these proposals will, in fact, deny that. They will make five different classes of British citizenship; it will mean that in future there could be generations of British children born abroad who would not be automatically entitled to citizenship of their own country. It would make, for instance, citizens of Gibraltar second-class citizens. By virtue of UK membership of the EEC they are EEC citizens, and yet they would become second-class under these proposals.

They are mean, petty proposals and they are unnecessary; there are no similar proposals in any Member State of the EEC, and it does look, Madam President, almost as if the British Government, tired of attacking the living standards of the people in Britain, is now turning its attention to British citizens living abroad.

**Lomas**

If any of my friends on the opposite side of this Chamber have really read these proposals they will realize how serious this matter is. We are all of us — and I am as guilty as everybody else in this Chamber — (*Hear, bear, hear*) ready to criticize the lack of human rights in every quarter of the world, but when it comes to an attack on human rights in our own country, in Member States of the EEC, then we are remarkably reticent. I hope, Madam President, that Parliament will accept this, or else they will be exposed as total hypocrites ready to attack other countries but prepared to accept attacks on human rights in a Member State. I appeal to Parliament to accept this as an urgent matter.

(*Applause*)

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

**Mr Haagerup.** — (*DK*) I just want to say on this matter that approval of urgency would inevitably be interpreted as taking a stance on this bill which has just been the subject of an impassioned speech here. Without adopting any position, therefore, I have to say on behalf of our group that we shall be voting against urgent procedure.

(*Parliament rejected the request for urgent procedure*)

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**President.** — I have several motions for resolutions on Poland, some of which have not yet been distributed in all the languages. The fact is that the political groups were unable to meet until late and we did not get some of the motions until last night. We had decided to discuss these motions for resolutions during the general debate with the Council on the situation in Poland. The problem is this: if we defer these requests for urgent procedure on these motions until tomorrow morning, we shall not get round to an urgent debate on Poland until Friday morning. I suggest that we consider the urgency of these four motions for resolutions now, as part of the general debate, even though the texts are available only in some languages because the translators did not get them until last night.

Since there are no objections, that is agreed.

(*Parliament adopted urgent procedure*)

The texts of these motions for resolutions will be distributed as soon as they have been printed. I ask you to appreciate the difficult circumstances for the printers. They have done their very best and have been working all night. I should like to take this opportunity of expressing my thanks to them.

The motions for resolutions will therefore be placed on today's agenda and considered during the debate on the Council and Commission statements.

#### 4. *European Council — Luxembourg Presidency — Situation in Poland*

**President.** — The next item is the debate on the Council and Commission statements on the European Council meeting in Luxembourg on 1 and 2 December 1980, the statement by the President-in-Office of the Council on the Luxembourg Presidency, and the motions for resolutions on Poland, in respect of which urgent procedure has just been adopted.

I call Mrs Flesch.

(*Sustained applause*)

**Mrs Flesch, President-in-Office of the Council.** — (*F*) Madam President, ladies and gentlemen, please believe me when I say that even for someone familiar with this European Parliament, who served a ten-year apprenticeship in European politics before being elected — as were you all — at the first direct elections, someone who has filled various posts in this Parliament, it is an emotional moment when one finds oneself sitting in the President-in-Office's chair. Having experienced them for myself, I am well aware of the feelings and expectations surrounding the appearance before you of the President-in-Office of the Council. While something is expected from the institution I represent today, there is also undoubtedly a feeling that the person representing the Council is — after all — very much out on a limb since he or she represents an absent body and has more often than not been supplied with the bare minimum for survival and undoubtedly not enough to satisfy the present audience.

But from long years of observing the President-in-Office of the Council from the other side of the floor, I also came to realize that that person represented an institution which — unlike our national governments — is very little suited to parliamentary life and requirements, both as a result of its very nature as an institution and probably also because the development of the political and institutional life of the Community has been inadequate to give the Council a personality of its own, a right which is enshrined in the Treaties and which would allow it to become a true collegiate executive body. Whether we like it or not, discussions within the Council — on which I am required to report to you today — still amount to a very large extent to international negotiations. We have in fact nine — and shortly ten — governments confronting each other, admittedly in an effort to arrive at joint decisions which will apply to all of them. But before

## Flesch

this common denominator is found, each individual member of the Council makes the most of his own power base, his *Hausmacht*, that is the State he serves, the political and economic power he represents, the will resulting from these factors and, last but not least, the powerful, finely tuned administration which is supposed to serve as his support but frequently acts as a brake.

The President of the Council is merely a reflection of this composite entity, which is often ill-balanced, and in which — as I have learned in a very few weeks — it often pays to take a negative stance rather than a positive one. Passing in a matter of days from the role of Member of Parliament to that of President of the Council almost seems like changing worlds. However, I come before you today neither to express my amazement nor to recount my regrets. I have probably been with the Council for too short a time to be able to form a final opinion. But to give you an initial reaction, I would say that while the European Parliament has by no means yet taken the Council's measure, the Council for its part has hardly begun to take that of the European Parliament.

*(Applause)*

I would add another remark to the above (which as you have undoubtedly guessed slipped past the Council censor).

... in the hope that you will excuse it in these exceptional circumstances. I will make a confession: I am delighted to have the privilege of appearing before you — for the first time and the last in the Luxembourg Presidency — in what I still regard as my beloved city of Luxembourg. Rest assured, I am not going to embark today on any special plea for Luxembourg, although I cannot help feeling — as I am sure many of you also feel — that you will not escape it in the future. I would simply ask you today to believe that there has been no conspiracy. When your Bureau — I might almost say our Bureau — decided to hold this part-session in Luxembourg, I was completely unaware of the role I would be called upon to play.

In a few moments I shall be turning to the outcome of the recent European Council held here two weeks ago, following which I shall report on the six months of the Luxembourg Presidency. In reporting on this six-month Presidency, I shall not presume to take credit for achievements which were not my own. I am in fact the junior member of the Luxembourg Government team which shouldered with great devotion — and sometimes with talent — the trying task of presiding over the Council at a particularly difficult time. It is to them that I should like to pay tribute. And I must single out my own predecessor Gaston Thorn. He too, like me, came from this Parliament. He never forgot that fact, nor will he forget it, I am sure, when he takes on his new role. A long career as Member of Parliament and member of the Council of Ministers is

not only a guarantee of competence but also an assurance that in his future role he will appreciate and see that others appreciate the democratic and human dimension the Community has taken on as a specific result of the direct election of your Parliament. The job of succeeding him here before you is clearly an awesome one. I shall try to take my example from him and be a worthy interlocutor for the Parliament. As you can imagine, this is not a particularly easy task, precisely for the reasons I have already indicated. But, as I know from my experience in your ranks, it is a task worth undertaking, since the Community for which we are all working is a relatively young institution marked by the uncertainties we are still experiencing, undermined more recently by the repercussions of a social and economic situation with which it is all the more difficult to come to terms because our fellow citizens and particularly the younger generation had begun to assume that expansion could and would go on for ever.

So much for the background to my appearance before you. I am not unknown in this Chamber and you are no strangers to me. Perhaps this will mean that I am not treated as indulgently as newcomers generally are. I would accept that, particularly since although I have changed places I have not changed my outlook. The only favour I ask of you — and one which you cannot refuse — is that you allow me, when the time comes for me to reply, to do so with the same frankness and critical spirit — which is the spice of democracy — as I hope to hear from you in the venerable tradition of this Parliament.

Parliament will no doubt have acquainted itself with the texts which the European Council published after its meeting on 1 and 2 December. I may therefore confine myself here to a number of remarks to situate that important meeting in its political context and put particular stress on certain passages.

First, a summary of the principles in accordance with which the European Council was created and operates. Periodic meetings of Heads of State and of Government assisted only by their Ministers for Foreign Affairs provide privileged opportunities for discussions without previously determined agendas, which then quite naturally concentrate on the most important political and economic questions, in line with the responsibilities discharged by the Members of the European Council both in the service of their respective countries and in the Community process in which we are involved. In view of the nature of those talks it is natural that their contents are published only insofar as the Heads of State and of Government intend to announce certain decisions and common positions.

The texts with which you have been able to acquaint yourselves nonetheless reflect a certain number of ideas, and I should like to comment briefly on some of them.

## Flesch

First of all, however, I should like to stress that the Council was anxious to express its deep sorrow at the disaster which struck one of the Member States, Italy. It asked the Council of Ministers to approve without delay, on a proposal from the Commission, not only emergency aid but also exceptional aid measures. You have been consulted on the Commission's proposals and I am sure that Parliament will examine them in a generous spirit and also with the necessary speed so that they can be adopted forthwith.

To return, Madam President, to the ideas I mentioned just now, I should like to emphasize that it seemed appropriate, in this crucial phase through which the world is passing, both because of the political situation and in the circumstances imposed upon us by an economic situation the seriousness and gravity of which are feared by all, to confirm Europe's determination to stick together and make its voice heard and its readiness to apply to the cause of balance and peace in the world the considerable potential which our Community represents and the experience acquired in the course of a long process by our States individually and our Community as a whole.

The Heads of State or Government felt it was particularly desirable to refer, in this context too, to the areas of solidarity in which a strong United States and a self-assured Europe are united. The cohesion of the Western world and the collective contribution which the industrialized countries must make to solving the major national and international economic problems are a vital factor in our view.

A large part of the European Council's exchange of views was devoted to the economic and social situation. The diagnosis — as revealed by the published texts — was marked by a profound realism and a total absence of complacency, even if, in many cases, the policies pursued warrant the claim that the efforts being made are the appropriate means of achieving certain objectives, such as reducing inflation rates and the necessary improvement in the competitiveness of industry in our countries.

The employment situation struck all the Members of the European Council as not only the most worrying phenomenon but also as that which, if it is to be overcome, will require more than mere short-term economic measures. Ultimately it is only through the permanent restoration of the fundamental balances, through the consequent reduction in inflation rates, an improvement in competitiveness and a substantial revival in investments that this situation can be met. It is self-evident that if the policies based on these principles are to succeed they require a combined effort, not only by governments but also by labour and management.

However, it must be realized that the chances of their success also depend on external factors, and mainly the cost of our energy supplies. There can be no doubt

that any new increase in the price of oil, which will have serious consequences for our countries, will have especially dramatic consequences for the non-oil-producing developing countries.

The rise in oil prices is clearly a phenomenon which is largely beyond our control. Once again, the European Council sought to stress the need for us to promote the development of alternative forms of energy and — more immediately — to pursue vigorously our energy-saving efforts. The European Council was thus able to record the agreement reached a few days earlier by the Energy Ministers in the Council on a number of arrangements and measures to vary supplies so as to prevent as far as possible the formation of bottlenecks entailing a risk of artificial strains on the oil market.

The increased competitiveness of industry, which I have just cited as a necessary instrument for our climb out of the recession, often involves adapting industrial structures. With this in mind, the European Council stressed the need to persuade undertakings to apply and develop activities based on an innovatory approach.

The transformation required of our industrial society presupposes a sound monetary environment. In this connection, the European Council stressed the essential contribution to be made by the European Monetary System towards the establishment of an improved monetary order, both at Community level and in order to respond better to the problems arising in international monetary relations. Efforts should continue in order to strengthen still further the zone of monetary stability and solidarity in Europe.

Measures such as arranging Community balance-of-payments loans and the gradual development of the use of the ECU can contribute to this. These efforts, combined with many others, will make it possible, in due course, to make the transition to the institutional phase of the European Monetary System.

This system is clearly to be seen in the wider context of international monetary relations. A stable international monetary and financial system is a prerequisite if policies for the adjustment and recycling of capital are to contribute in parallel and in an orderly manner towards overcoming the existing imbalances and if the measures taken to benefit the developing countries are to be pursued effectively.

Just as Community solidarity is important in helping each one of us to face the serious economic situation we are now experiencing, so also is international solidarity. In this context the European Council emphasized the importance of keeping the world's trading system open under free and fair conditions.

The European Council also turned its attention to the development of the Community and to the latter's

## Flesch

institutional situation. In this context it heard an extremely lucid report from the President of the Commission, Mr Jenkins, who I expect will give you the benefit of his thoughts himself. For my part, I should like to express to Mr Jenkins my admiration for the remarkable manner in which he has acquitted himself of his tasks as President of the Commission at a particularly difficult time for the Community and for the world.

*(Applause)*

The European Council also examined the report from the Three Wise Men on the basis of a study drawn up by the Ministers for Foreign Affairs.

The European Parliament has already received the annual report on European Union.

As far as political cooperation is concerned, the European Council discussed the major international problems in depth. Its discussion reflected its consciousness of the responsibilities devolving on Europe. Thanks to its experience and resources, Europe, in dialogue and consultation with the United States, will be in a position to serve the cause of peace and freedom to the full. For this purpose it is essential that its cohesion be strengthened; the European Council declared its intention of working to achieve this so that Europe's voice is heard.

With these considerations in mind, the discussion centred mainly on two major topics, namely the Middle East and East-West relations.

As regards the Middle East, you will recall that the European Council devoted a substantial declaration to this matter at its Venice meeting, on the basis of which my predecessor, Mr Thorn, made contact at the highest level with all the parties concerned. Mr Thorn reported in person to the European Council, which welcomed the great interest aroused in the Middle East by the position taken by Europe.

As well as the report from Mr Thorn, the European Council took note of a document prepared by the Ministers for Foreign Affairs on the principal problems relating to a comprehensive settlement of the Israeli-Arab conflict. This text, the chapter headings of which are known to you, namely withdrawal, self-determination, security in the Middle East and Jerusalem, was greatly appreciated by the Heads of State and of Government. Thanks to careful consideration of the problems it had proved possible to itemize several formulas capable of giving substance to some of the Venice principles, in particular on the duration of the transitional period leading up to the electoral procedure for self-determination, the definition of the provisional authority for the vacated territories, the conditions and modalities for self-determination, the security guarantees and Jerusalem.

On the basis of this report, which will for the time being remain a confidential internal working document, the European Council gave instructions for parallel action on two fronts:

- at internal level, the Ministers for Foreign Affairs will continue their discussions with due regard to developments in the situation;
- externally, further contacts will be made with the parties concerned, with a view to more thorough exploration of the different formulas possible, in the hope of encouraging a climate more favourable to negotiations. The Presidency-in-Office, that is more specifically my successor in this position, Mr Van der Klaauw, was given responsibility for these contacts, in consultation with the Ministers for Foreign Affairs and I would add that Mr Van der Klaauw has already, at a meeting yesterday, informed his colleagues of how he proposes to handle these contacts.

The European Council took its decisions with the firm determination of pursuing the action initiated in Venice, with a view to encouraging rapprochement amongst the parties concerned and contributing in this way to resolving the conflict which has divided the Middle East for decades.

In liaison — I might even say organic liaison — with the Israeli-Arab conflict, the situation in Lebanon continues to give rise to serious anxiety. The Heads of State and of Government echoed this anxiety and reiterated the Nine's abiding interest in the unity, independence, sovereignty and territorial integrity of Lebanon. Lebanon belongs to the Lebanese and it is for them alone to establish the rules of their co-existence, which presupposes the re-establishment of the authority of the legitimate government throughout the country.

The Nine appeal to all parties for these principles to be respected. They express their support for UNIFIL, for which several Member States provide troops, and their hope that this United Nations force will finally be enabled to fulfil the assignment given to it.

The Heads of State and of Government also examined the dangerous situation which had arisen between Jordan and Syria. They called upon the governments concerned to endeavour to resolve their differences by peaceful means, including the possibility of action in the United Nations.

On the subject of East-West relations, the European Council turned its attention to two problems, the CSCE and the situation in Poland.

The Heads of State and of Government stressed the importance they attached to the CSCE process and their willingness to continue it. They were determined to achieve in Madrid genuine and balanced progress in the various baskets. In particular they confirmed their support for the French idea of a European Disarmament Conference. Such a conference might take place



## Flesch

in two stages; in the first, binding and verifiable confidence measures would be drafted, to apply to the entire European continent, and in the second, actual disarmament measures would be examined. The Nine will attempt to obtain the adoption of a sufficiently precise mandate for such a conference from the meeting in Madrid.

On the subject of Poland, the Heads of State and of Government began by expressing their peoples' feelings of friendship for Poland. They then recalled the essential principles of the United Nations Charter and of the Helsinki Final Act with particular reference to the undertaking to 'refrain from any intervention, direct or indirect, individual or collective, in the internal or external affairs falling within the domestic jurisdiction of another participating State, regardless of their mutual relations'. Numerous other provisions of the Charter and the Final Act refer to the theme of respect for the sovereignty of each State and its right to choose and freely develop its political, social, economic and cultural system. The Member States of the European Community have always complied strictly with these principles and they will continue to do so in the future. They expect all the States which solemnly subscribed to these same principles in signing the Helsinki Final Act to abide faithfully by them with regard to Poland and the Polish people. The Heads of States and of Government stressed that any other attitude would have very serious consequences for the future of international relations in Europe and throughout the world. With regard to the economic situation in Poland, the Nine stated their willingness to meet, insofar as their resources allowed, the requests for economic aid which had been made to them. I shall return later to the decisions taken by the Council since then in this connection.

I should like now to sketch for you an assessment of the Luxembourg Presidency of the Council. I say sketch because I do not want to make a list of all the decisions taken, and also because besides these decisions there is all the work done to ensure progress on a large number of questions which will come to fruition under other presidencies, in the same way as some questions have been finalized during these six months thanks to progress under previous presidencies.

Madam President, what I have here is an enumeration of the large number of decisions taken by the Council over the months. It is thus a technical and, I must admit, rather tedious document. I am of course quite prepared to read it out to you, but I know, Madam President, how limited your time is. If you and the Members of the House agree, I shall have the text distributed of this part of my statement and will confine myself here to the two new elements I feel to be important which came out in the course of yesterday's Council meeting, the social measures for the steel industry and aid for Poland.

*(Applause)*

Just yesterday, the Council discussed in depth what it has now been agreed to call, in Community parlance, the social aspect of the measures taken by the European Coal and Steel Community in the steel sector. In this sector, despite the common characteristics of the difficult situation companies are in, with shrinking markets and insufficient profitability, there are considerable differences in the situations from country to country and sometimes even from region to region.

We have already, in recent months, experienced how difficult it is to take economic measures to handle all situations. There are similar difficulties in assessing the social repercussions which can be directly attributed to the situation in the steel industry. In addition, as you know, there is the fact that the ECSC budget is utterly inadequate for the requirements of social aid on a large scale. At the present time, every budgetary problem involving resources has to be studied closely, whether it involves resources available for the Community budget or those to be provided by the Member States. It is against this background, therefore, that the steps taken by the Council with the assistance of the Commission should be judged. The diversity between situations and the lack of common parameters made this discussion particularly difficult. It is all the more gratifying to be able to say today that there has been a real rapprochement even if, for the time being, this does not satisfy everyone's expectations. The Council gave its support to continuing the action of the ECSC with a view to helping soften the effects on employment of restructuring in the steel industry, in accordance with Article 56 (2b) of the ECSC Treaty. In order to get a clearer idea of the type of operations to be undertaken in this field, the Council asked the Commission to provide it in the next few weeks with a certain amount of additional information concerning, in particular, the methods it proposes to use to pursue its objectives.

We have found, in fact, that whereas certain Member States are in a position to provide relatively precise assessments of the cost of the social measures they take, other countries have not yet finalized these assessments or have not yet made them in sufficient detail to allow a comparison with the social policies pursued elsewhere in the Community. This, Madam President, is one factor which made the discussion particularly difficult.

The Council also wanted to receive from the Commission more precise information on the nature, scope and modalities of the measures it proposed to pursue in the present situation, which is marked on the one hand by the scale of social problems and on the other by the restrictions on the funds available. In these circumstances, the Council did not take any decisions either on the amount of money to be committed or on the financial methods to be used. As regards this latter aspect, the Member States have divergent views as to the advisability of making financial transfers from the general Community budget to the ECSC budget or of

## Flesch

allocating to the ECSC budget additional finance provided directly by the Member States. The Council has not, unfortunately, been able to decide on either of these two options at the present stage. Indeed, I should add, for the sake of completeness, that no financial undertaking has been given. It is my personal conviction, however, that the renewed expression of support for the Commission in its endeavours to pursue the activities in the social field laid down in the Treaty of Paris reflects an increasingly acute awareness that action in the social field is indispensable. Moreover, this action is ultimately the responsibility of the Member States since, in the last analysis, the Community's direct financial operations have an indirect effect on the costs borne by the economies most seriously affected by the steel crisis.

As regards aid to Poland, as I have already mentioned, on 2 December the European Council declared that the Member States of the Community would respond favourably to any requests for economic aid made to them by the Polish authorities. This declaration also covers Polish requests to obtain, on favourable terms and at short notice, certain food products regarded as necessary for supplying the population. Following contacts with the Polish Government the Council has decided that, in view of the present circumstances and by way of exceptional measures, the Community will provide Poland with a number of opportunities for purchasing ten or so farm products, in accordance with a list they have submitted. Accordingly, with the Council's approval, the Commission has lost no time in starting the procedure for making these products available.

The Polish Government also expressed a desire for the food imports to be on favourable credit terms. As you know, the Community is not itself a commercial undertaking and, apart from the appropriations set aside in the budget for food aid, does not have any means of financing such operations. Since the granting of credit is the responsibility of the Member States and not of the Community, it is up to them to use the means at their disposal, in agreement with the Polish authorities, to facilitate the actual supply of the food which Poland needs so much. These measures are independent of Community actions. The two types of action, however, go hand in glove and bear witness to the readiness of the countries of Europe and of the Community to act together to provide direct assistance to the Polish people to make up for food shortages which seem, at the present time, to be particularly serious.

In a few days' time, the Community will have ten members instead of nine. Thinking about the significance of Greece's accession, a passage from Paul Valéry's *Essais quasi politiques* comes to mind which suggests that without Greece 'we are not yet complete Europeans'. Valéry goes on to say:

What we owe to Greece is perhaps what distinguishes us most deeply from the rest of humanity. We owe her the

discipline of the mind, the extraordinary example of perfection in all orders. We owe her a way of thinking which tends to relate all things to man, to the whole man; man himself becomes the frame of reference against which all things must ultimately be measured.

I believe that, transcending the ideologies which may separate us, we can all make this phrase of Valéry's our motto: 'Man himself becomes the frame of reference against which all things must ultimately be measured.'

The Community, with its past membership of six, nine members today, ten tomorrow and eleven or twelve soon after that, has always pursued, is pursuing and has a duty to pursue this ideal which Greece was the first to set herself and has bequeathed to us.

The six-month period during which each Member State takes it in turn to serve the Community by taking charge of the Council's activity is obviously too short a period for final judgments to be formulated. The tradition whereby each President of the Council comes before this Parliament to give account of the execution of the Community mandate he has held for the past six months was instituted primarily to enable you to follow in some detail the Council's multifarious activities.

In only a few weeks' time a new President of the Council will come before you to state the ambitions of the Netherlands Government and the methods it intends to employ. Thus there is continuity among the variety of styles and methods.

The Presidency is not an institution in itself. The requirements of collegiality and the fact that the Council's discussions of the most significant questions are spread over an often considerable period of time mean that the reports made to this Parliament are of necessity incomplete.

In these times the mission of the Presidency has become especially difficult. And yet each government makes it a point of honour to fulfil its commitments to the best of its ability. The Luxembourg Presidency has not thought differently, and although its limited human and material resources have not allowed it to deploy the extensive forces which characterize other Presidencies, this natural disadvantage has been made up for by plentiful zeal and devotion and a wealth of assistance from the Council Secretariat-General. The successive exercise by each Member State of this prerogative is accordingly more than just a symbol of equality between our countries. It means the judicious use of the whole spectrum of talent which, taken together, constitutes perhaps one of the great strengths of Europe. To conclude, I would add that I feel special satisfaction that the Luxembourg Presidency is also aware of having worked — or having endeavoured to work — towards closer and more fruitful cooperation between your Parliament and the

## Flesch

Council. Three of the Luxembourg Ministers who have held the most burdensome offices of this Presidency are former members of this Parliament and were elected in the direct elections 18 months ago. This has certainly helped our work in relations with the Parliament but has also, I hope, allowed us to make the Council more aware of the real areas of concern of Parliament as an institution. As I said at the beginning of my speech I consider that in this respect there is a long way yet to go. But a new process has begun and I hope that familiarization — as is natural in a democratic society — will gradually bring about the necessary and desired adjustments and will give the lie to those pessimists who thought that in the long run confrontation between these two institutions was inevitable. My own past and my convictions lead me not only to take issue with such fatalism but also to proclaim that one of the great services which we have to render the Community is precisely to improve and maintain the relationship of trust between the democratic representation of the peoples of Europe and the Council where, by the very nature of things, the influence of States weighs more heavily. In short, these elements should be seen as complementary, if each of us so wishes.

*(Applause)*

**President.** — I call Mr Jenkins.

*(Applause)*

**Mr Jenkins, President of the Commission.** — Madam President, the new President of the Council has so quickly established her authority in her new role that it seems strange that I have not until today had the opportunity to welcome her in this House. I now do so with particular pleasure, having greatly admired the way in which she has already presided over two meetings of the Council of Ministers.

She has given the House this morning a comprehensive review of the conclusions reached at the European Council on 1 and 2 December. I do not therefore intend to duplicate her succinct summary. I say simply that it was a reasonably successful European Council which produced a wide measure of agreement, not only in the field of political cooperation, but in matters of direct concern to the operation of the Community. It also showed how quickly the Community can work if it has a mind to do so. The European Council invited the Commission urgently to pursue two points of great practical concern — the means of providing Italy both with emergency aid and with a long term loan with interest rate subsidy, following the catastrophic earthquake, and means of providing Poland with food from Community stocks at specially low prices in her hour of need. I am glad to say that both actions were rapidly and successfully set in train and the Commission has made known its proposals, at once detailed and far-reaching in both cases.

Now, Madam President, perhaps I may be permitted, on this last occasion on which I shall address this House as President of the Commission, to draw attention to points which seem to me of particular significance for the shape and direction of the Community. In doing so I shall naturally have cause to touch upon some of the major Community issues dealt with at the European Council, in particular the need for renovation of our industrial base. I shall also have a few words to say about the complex of issues in the mandate given to the Commission on 30 May and about the institutional development of the Community. But let me reassure the House that I do not intend to make one of those somewhat long and tedious catalogues of past achievements and future hopes which we are perhaps sometimes a little too eager to inflict upon each other.

Looking back over the last four years, I think it no bad thing to recall that the Community has survived — and will survive — some crises which could have had major destructive effect. We have all held our breath once or twice. I am not thinking only of the budgetary crisis of the first half of this year, but also of the sheepmeat crisis, the crisis of industries in deep trouble, problems over Euratom and others too many to enumerate. We are by no means out of all our difficulties. How could we be with the present economic recession, unemployment levels, the further threat of oil price increases and the general social and economic situation? But in confronting them as we must, and recognizing their daunting nature, let us also remember problems overcome and the political will which enabled us to overcome them.

Indeed that political will has permitted us to make some advances which would have seemed highly unlikely four years ago. I particularly welcome the creation and establishment of the European Monetary System, a working mechanism indispensable to the economic and monetary union which I believe should be our firm objective. The European Monetary System has already brought tangible results: the Community — or rather the eight fully participating members — has been an island of relative monetary stability at a time when storms without have caused other world currencies to fluctuate violently. We had a worthwhile discussion on the subject at the European Council, and I particularly stressed two positive points: the agreement about the progressive development of the use of the ECU, and the agreement to work towards a common European position with regard to third countries. We are thus on the road and travelling in the right direction. But there is a long way to go and a need for new and increased momentum. In the next few months I hope that work will be accelerated on the creation of a European Monetary Fund; I hope that fully coordinated policies can be worked out with regard to the dollar, the yen and other third currencies; and I hope we shall see the development of the ECU as a fully-fledged international reserve asset.

In the last four years we have also seen the increasing weight of the Community in international terms. The

## Jenkins

Community has long been the largest single entity in world trade, but the effects have tended to be intangible. The success of the long and difficult Multilateral Trade Negotiations has somewhat changed that. Not only have we successfully resisted protectionism and removed many of the insidious non-tariff barriers to trade, but we have contributed substantially to the creation of a more open and effective world trading system to the advantage of industrial and developing countries alike. We have likewise made progress as a Community in the gradual — all too gradual — evolution of relations in what has been perhaps misleadingly called the North/South dialogue. From the Paris Conference of 1977 to the negotiations under way in New York today, there has been a steady line of Community action. It is based on the special character of the Community with its old and multifarious relationships with the Third World and our working assumption that a new and more equitable world economic system is a necessary evolution. The Community's special position was underlined by the conclusion of the second Lomé Convention in which I think we can all take particular satisfaction. I add that if, as I hope, the Western Economic Summit meeting at Ottawa takes North/South relations as one of its priorities, the Community will make a major contribution to the debate.

As for the internal affairs of the Community, I am delighted that we shall welcome Greece as our tenth Member in two weeks' time. The negotiations with Spain and Portugal are in progress, but we must face the fact that we have not yet dealt with the most difficult issues confronting them and us. These issues, as we know, are closely related to the internal difficulties facing the existing members of the Community.

In my report to the European Council I said that I was apprehensive, though certainly not without hope, about the future. I do not think we can stand still. The Community is a bicycle, we must either go forwards or we all fall off. But as yet there is no consensus emerging between governments about our forward motion. The policies which constituted such motion depend critically on the development of the principal institutions which make up the Community. Let me say a word about each.

One of the principal achievements of the last four years has clearly been the democratic dimension given to the Community by the direct election of this House. But I repeat to you what I said to the European Council. Direct elections were foreseen in the Treaty of Rome, but more recently willed by the Member States. Thus the Member States, having created the Parliament, must be prepared to treat it with the respect due to it.

*(Applause)*

There has been argument about the extension of your existing powers. This has not always been productive.

In my view there is a good deal of room within the existing rules which has not been used, and the question of further powers need not arise in the immediate future. But one change needs to be made soon: the establishment of a firmer and more secure relationship between the Council and the Parliament. Otherwise I fear that a lack of mutual comprehension between the two may become a cause of damage to the Community as a whole.

I have had occasion to speak before in the past few months about the importance of the Court of Justice in a Community which must be based on the Treaty and the rule of law. If judgments are not accepted but bargained about like issues at the Council of Ministers, this could have profoundly damaging effects on the fabric of the Community. If the law is seen as rigid or out of date or in other ways unacceptable, it is best for the Member States to work together to change it. We must not be too static; but if the law is there we must not ignore or defy it.

*(Applause)*

As for the Council of Ministers, the institution with which the Commission is thought to have created tension, I say only that the problems are ones of balance: how to weigh up the Community interest against national interests, how to weigh up the needs of coordination against the needs of such sectoral policies as agriculture, energy, economic affairs, how to weigh up the need to delegate authority to the Commission against the wish to retain some measure of national control. The Council sometimes succeeds better than at other times. On 30 May it solved a problem which has twice eluded the European Council. Its aim must always be to untie rather than pull tighter the knots of difference within the Community. Here the European Council has come to play an important and positive role. It has been the motor for progress on such matters as the European Monetary System; but it has to avoid becoming too much of a court of appeal and thus sucking power further away from the Council of Ministers.

Finally a word on the Commission. It is a tiny organization in relation to its responsibilities, but it has its faults as well as its virtues. Because the Commission was conscious of them, it called in Ambassador Spierenburg and his four colleagues and asked them to look at it ruthlessly and make useful recommendations. They made many. It has been the wish and the endeavour of this Commission to make significant internal changes in the light of the Spierenburg recommendations to make the Commission a more efficient and flexible institution. But a major part of what we have sought to achieve requires support from the Council and from the Parliament as the two arms of the budgetary authority. This has not so far been forthcoming. Delegation of executive powers to the

## Jenkins

Commission means that it must be trusted; and I have no doubt that the new Commission will be worthy of that trust. Certainly there must be supervision, and certainly there must be effective parliamentary control. But the Commission must be given the means to do its job. It must have the authority to make the management decisions without which the Community grinds to a standstill.

I turn now to policies. Here I detect a risk that at least some of our member governments would like the Community to stay more or less where it is. That means a patching up operation rather than that radical approach to our present problems I believe essential. Let us face the truth. As I told the European Council, we have a largely agricultural Community with political trimmings and an incomplete common market in industrial goods with a common external tariff. Even if this were our full objective, which of course it is not, it would be an unworkable proposition in the future because it benefits some much more than others and fails to meet much of the essential notion of an integrated Community.

*(Applause)*

This brings into sharp relief two issues which were treated by the European Council. There is first the mandate, given to the Commission on 30 May and now reaffirmed by the European Council, which the new Commission will have to discharge by 30 June. I do not underestimate the difficulty of the task we have to hand on to our successors. Here the problems of the common agricultural policy loom large. In the view of the Commission we should adjust the common agricultural policy in such a fashion as to maintain its fundamental principles (unity of the market, Community preference and financial solidarity), set up mechanisms whereby the financial consequences of production surpluses may be held in check — and the surpluses themselves eliminated as far as possible — and concentrate financial resources on the least favoured farms and regions. To achieve this we believe that we should introduce a new basic principle of co-responsibility or producer participation, establish a new approach to the Community's external agricultural trade and readjust our structural policies. We have not had much success in urging member governments to hold down expenditure so far. We have had some, but, I must be permitted to say, not complete or consistent support from the Parliament on this issue. Now that we are coming up against the ceiling of own resources the problem is posed in a new and more acute form. Personally I am sceptical that it will in practice actually be possible to reduce agricultural expenditure. We should remember to see the problem in context. It is a relatively small proportion of the GNP of the Community as a whole — not much more than ½-1%. It is small in relation to what the Japanese and the Americans spend on supporting their agriculture, but it is very big in proportion to our budget as a Community. I am sceptical as to whether

you can actually reduce what is already there, but I would like to do so if it were possible. What I think we must do is to stop it rising further. That is the minimum that is essential.

I do not have to underline to this House the fact that our revenue resources are relatively undynamic, levies and customs duties particularly so; they fall as we trade more with each other — even VAT is not a notably buoyant or dynamic tax — whereas our expenditure is all too dynamic. There is thus a fundamental mismatch which is bound to get worse rather than better unless we do something radical and clear in the future about it.

Clearly here our first priority is to get agricultural expenditure under control. But I do not believe that this by itself can achieve the better balance in the budget which is essential to the future. In my view that can only be achieved by controlling agricultural expenditure and increasing our expenditure on worthwhile non-agricultural matters. This House has already shown its sympathy with this approach, and I need not further develop it here. The greater resources we shall need do not have to come from the raising of the VAT ceiling. Other sources of revenue can and should be envisaged. The result need not mean an actual increase in the total of public expenditure but rather a transfer of desirable and necessary expenditure from Member States to the Community level. The Community has to show that it can give value for money, but without some increase in revenue I am convinced that the Community will remain blocked in imbalance.

The second issue to which I attached particular importance at the European Council is industrial innovation. Here our record is deeply disturbing. By comparison with our major industrial partners we have been relatively unsuccessful both in renewing existing industries and introducing new industries based on advanced technology. As this House knows too well, we have been more concerned with the problems of older industries in difficulty and decline than with the creation of conditions for the new industrial base we need.

For that reason I urged upon the European Council the need for a coordinated approach which could lead to the establishment of a single Community market of the kind now enjoyed by Japan and the United States. Within that market there should be harmonization of services, common information networks and above all common technology standards to be encouraged and if necessary enforced by public authorities, in particular those responsible for major contracts. Governments should at the same time consider, as the Americans have done, the right fiscal means for promoting innovation and defining sectors which should benefit.

I have already spoken to this House about the tele-matic revolution as clearly one of the principal aspects

**Jenkins**

of industrial innovation. Frankly the Commission is disappointed by the lack of progress which has been made on this and related themes over the last twelve months. I do not pretend that the message of industrial innovation is always welcome. It is a message for change, and change can often be difficult or painful. But unless the message is heard by our governments, by our peoples, by our trade unions, by our management, then the future is not a bright one industrially or economically for the Community. On it depends our industrial status in the world.

A subject of much discussion in the last decade was the character of the licensing agreements which European industries should make in developing countries so as to speed the transfer of technology. Yet I suspect that the next subject for discussion will be the licensing agreements which the Americans and Japanese make with European industry to manufacture products here which we seem — but I do not believe need be — incapable of making ourselves. I give two examples: video and digital audio tape and disc equipment, and the next generation of home computers. In tackling industrial innovation the Commission will look to the support of this House. I can think of few more important items of Community business, because it will determine our whole status as a Community in the world and whether we are in the leading group of nations or not in the decades to come in the remaining years of this century.

I conclude, Madam President, with my thanks to you and to this House for your cooperation and courtesy. I believe that over the last eighteen months this Commission and this new directly-elected Parliament have gone some way to create the new partnership of mutual respect and understanding which is vital to the future of the Community. It will be for you, with the new Commission, to make your full weight felt on European issues and to establish the full European constituency which is yours.

Let me add one other point. No one can live in and devote four years of his life to a Community of Europe without having his fair share of disappointments and frustrations. I have had them, as have you. But nothing makes me regret the devotion of these years to the enterprise of Europe, and nothing I have seen or experienced in the past four years has shaken me in my most profound and longstanding conviction that the more effective unity of Europe is essential to every one of the Member States, including most emphatically my own, the United Kingdom.

*(Loud applause)*

It is essential to the Community as a whole and indeed to the world outside the Community, a dangerous world in which I believe the Community plays an increasingly vital and stabilizing force.

*(Loud applause)*

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

**Mr Glinne.** — *(F)* Madam President, ladies and gentlemen, a brief word first to the retiring Commission to congratulate Mr Jenkins on the words he has just spoken and to congratulate the Commission as a body. Because during recent years, and more particularly since the direct election of this Assembly by universal suffrage, Parliament's relations with the Community executive have been what might be generally be termed positive, to the extent, for example, that the question of a motion of censure remains no more than a hypothesis in the Community rules, and very glad I am of it too.

We have been told by the press that the members of the new Commission have just held a kind of mini-conclave at La Gaichel. We are told that they will be going about the task of sharing out the jobs and we shall learn of their proposals at a full parliamentary session in a few weeks' time. We are waiting patiently for news in these two areas, but we are also waiting confidently, and we offer Mr Thorn our best wishes. As far as the Council is concerned I would like, at the same time as offering my warmest congratulations to our erstwhile colleague Mrs Flesch, to emphasize just how much remains to be done in improving relations between Council and Parliament. Later in this debate other Members will be speaking specifically on the need for the Council to have some real respect for Parliament and for it to take some real note of the resolutions voted in this Assembly, particularly those relating to political cooperation. They will also be stressing the need for the governments of each and every Member State to encourage cooperation between the Council and the Assembly. We sometimes get the feeling that those governments which have the greatest reservations about the question manage to block the efforts of those who are more constructive.

That is to be deplored, and it must be changed very quickly.

Having said that I would like to refer to one particularly important point made by the President-in-Office during her speech, and that is the future of the measures proposed in Social Affairs and in iron and steel. First I have to say that the social measures to which you first referred, that is to say the provisions of Article 56, paragraph 2 (b) of the ECSC Treaty, are not, in the view of the Socialist Group, adequate. We now very closely, of course, follow the development of job training programmes, payment of waiting time to workers and the development of industrial reconversion plans in affected areas but all this is so far from being sufficient that a few months ago our group and other political organizations within this Parliament gave their support to the Peters report, which proposed the organization of a complementary set of social measures which related more specifically to

## Glinne

Community support for pre-retirement and short-time working.

I would like to stress, Madam President-in-Office that in our view the recent, well-founded recourse to Article 58 of the Treaty — under which a state of manifest crisis was declared and officially-defined production quotas established — recourse to Article 58 in an integral, and I mean integral part of those social measures to which I have just referred. Together they form an absolutely indissoluble unity. This Assembly has moreover said the same thing, it seems to us, by supporting an appropriation entry of 112 million EUA in the budget thus agreeing with the Commission itself.

Then, about three weeks ago, we were saddened — indeed rather more than saddened — to learn that the Council meeting discussing the budget had not followed up the joint recommendation of the Commission and the majority of this Assembly and that, despite pressure from two governments which, through the indiscretions of the press are clearly identifiable and widely known — despite this pressure the Council was satisfied with a token entry.

You now tell us that yesterday the Foreign Affairs Council decided on its attitude, but I have to say that the principal element in that attitude is rather negative. Let me quote: 'In these circumstances the Council did not take any decisions either on the amount of money to be committed or on the financial methods to be used', and the reasons you gave us for this were, firstly that resources were limited, both within the Community budget and in the budgets of Member States, and secondly that the Council is still waiting for precise details from the Commission of the nature, the extent and the actual implementation of the plans which the Commission proposes.

Well, I have to tell you in all candour that the reaction of our group was very similar to that of the Commission reported by the media, or at least that of the Member of the Commission responsible for Social Affairs. According to last night's television, Mr Vredeling described the attitude of the Council as 'political perfidy'; hard words, perhaps, but not in our view, less than was deserved.

You know, Madam President, that in your country as in many others last night's news will do nothing to improve the opinion which tens of thousands of steel workers have on the European institutions and on Community policies. Here we can do no more than add our own dissatisfaction to that already expressed both in the Commission and amongst workers' representatives, and we shall maintain pressure.

A second problem, ladies and gentlemen: the circulation of a number of rather worrying rumours about the current lobbying on the subject of this Assembly's future seat. When one remembers the French Govern-

ment's note of a few months ago, and when one remembers also the resolution which this Assembly voted recently, the question arises — and it is a very precise question — whether it is true that there has been tripartite consultation between the governments of Belgium, France and Luxembourg on the grounds that the three of them are in some way privileged by the political and material significance to them of the problem of this Assembly's seat. If such a view exists, and if such consultation has been initiated, I should like to set against it the view of our group, which is that any consultation should involve directly, comprehensively and simultaneously the governments of all ten Member States. In our view it is totally contrary to the European spirit to encourage cooperation between only three governments at the price of cooperation between the Ten; it is cooperation which needs to be organized through the regular institutional channels and in the regular institutional way.

The third point I would like to make, ladies and gentlemen, relates to Poland. It is fortunate that the democrats within our Community, particularly those on the left, should have warned and continue to warn all those who both inside and outside Poland wish to impede the progress started by the Gdansk agreements, and issue those warnings without being systematically, increasingly alarmist by pointing out that the political price of such attempts would be very high indeed. We put that into parliamentary terms in our resolution of the 18th of September. We would like to repeat it today, although we Socialists would like to make it clear that we have no wish to raise the tension by being alarmist. This situation does nevertheless justify very serious concern.

In the meantime the people of Poland have for weeks been demonstrating their quite extraordinary qualities of determination and sang — froid, courage and restraint, and did so yet again in quite admirable fashion yesterday at the unveiling of the Gdansk monument in memory of the workers who were victims of the December 1970 repression. It is my feeling that we here should try as far as possible to do likewise.

Ladies and gentlemen, as long ago as 10 September we expressed our hope that society in Poland would change without interference towards pluralism, and would institute a relatively flexible political system, doubtless unique, based on dialogue and consensus. It is the Polish people alone who have the task of finding what will probably be a completely new framework: they will have to discover it for themselves and adapt it to the specific needs of their country and of its geographical and political situation.

Ladies and gentlemen, this was that we had in mind when we joined yesterday's effort which led to the joint resolution by the European People's Party and our own group. Paragraph five of this motion for resolution confirms the essence of the 18 September resolution and brings it up to date by saying that Parlia-

## Glinne

ment 'supports all efforts to bring the crisis to a peaceful conclusion, while preserving Poland's sovereignty'. The remainder of the text relates to a topical point, namely the question of cooperation with Poland on financial, economic and commercial affairs and even more topically, foodstuffs. That is quite clearly within our authority. It is moreover fortunate that this Assembly does not sit merely as an observer in the negotiations and discussions between Poland and the Community institutions and the governments of Member States. Parliament is right to call for coordination in bilateral financial aid, particularly where new credits are being granted, Parliament is right to stress — I am again referring to the joint motion for resolution — that European Community aid to Poland should have the sole purpose of allowing the country to resolve its internal problem of food supplies to the population. It is our hope the text of the joint motion for resolution tabled by our group and the European People's Party — which, I am delighted to say, already has the support of the Liberal and Democratic Group — will be approved by the majority of this Assembly. Lech Walesa was saying only yesterday in Gdansk that violence is not the only way to resolve conflicts, and the good lord knows that he is right! There are many ways of aiding Solidarity today, and of helping Polish workers in their right to self determination.

Mr President, we are choosing ways of deliberation and steadfastness without the use of strong words. Indeed we believe that such strong words do no service to the cause of democracy, and that is the only cause which we should be supporting.

## IN THE CHAIR: MR VANDEWIELE

*Vice-President*

**President.** — I call Mr Klepsch to speak on behalf of the Group of the European People's Party (Christian-Democratic Group).

**Mr Klepsch.** — (*D*) Mr President, ladies and gentlemen, I should like to begin by addressing a sincere word of thanks to Mr Jenkins and the other members of the outgoing Commission. We appreciate the Commission's four years' hard work. We have worked together, but it has often been an uphill struggle. We appreciate their commitment to the Community cause at a difficult time. To single out just one important aspect of the Commission's work: it has made great efforts to improve relations with the European Parliament. After the turning — point of direct elections, we introduced the welcome development whereby a Member of the Commission now always takes part in

the meetings of the Bureau. I should like to thank Mr Natali most sincerely for supporting this new practice.

Ladies and gentlemen, the more difficult the situation becomes — and unfortunately things can not be changed all that quickly or dramatically in any sector — the greater the need for effective cooperation between the Community institutions. We must be aware of the danger — at a time of serious difficulties in various sectors — of reactionary nationalistic elements seeking to undermine the Community and jeopardize its future. The three Community institutions, the Commission — which I mention first because we are taking leave of the old Commission today — the Council and the Parliament, are duty-bound to seek Community solutions which will be acceptable to all parties.

I should also like to offer my sincere congratulations to our erstwhile colleague, Miss Flesch, on her brilliant speech here today.

*(Applause)*

This is the second time in the brief period since direct elections that, in a difficult situation, the Council representative here has been one of our erstwhile Members, and I am sure that you, Miss Flesch, will show the same deft touch as Mr Emilio Colombo before you. You are to be congratulated on your declarations of principle this morning and we hope that the incoming Dutch Presidency will carry on the tradition you have followed here today . . .

*(Applause)*

I am not saying that we have achieved altogether satisfactory results in all fields, but there can be no doubt that under the well-versed and cooperative Luxembourg Presidency we have managed to tackle a number of difficult questions together.

I should like to go into some of these questions, but before doing so, allow me to make one point. When you said that the political and institutional development of the Community was not enough to bestow more supra-national independence on the Council, you touched on one of the fundamental problems facing the Community. The truly European job at hand is to introduce a greater degree of Community policy in place of a string of national policies and not to seek compromises on the basis of the lowest common denominator.

Moving on to the points I wanted to make, I share the Council's views with regard to the need for a firm alliance between the United States and fully emancipated Europe. I welcome the unambiguous way this was stated, and I am also pleased that the European Community's Foreign Ministers spoke with one voice at the Madrid CSCE follow-up conference. I should like to add that the governments of the Community



**Klepsch**

have acted with dignity, decisiveness and a sense of proportion at a time when the world's gaze is fixed on Poland. That is something for which this House should give them credit. Our position is expressed in the motion for a resolution we have tabled, and we are pleased that the same attitude was reflected in the stance adopted by our governments.

We welcome the fact that the negotiations so far on the 1981 budget, which we hope to adopt tomorrow, have been conducted in a spirit of cooperation, and we hope that this year we can set a good example for future budget negotiations. That is something for which I should like to thank you and your government.

We also welcome the efforts made in particular by your Prime Minister, Mr Werner, regarding the further development of the European Monetary System. We hope that these efforts will amount to more than just a fresh initiative, and that they will open the way to genuine progress. We believe that something may well come of your suggested 'Supercouncil'. The main problem from Parliament's point of view is that the various Councils of Ministers come to widely differing conclusions and that there is a lack of harmonization within the Council, particularly on the central issues. That is why I think that the idea of a 'Supercouncil' might be a step forward. Of course, I could also mention a number of very negative aspects which you have failed to get around, but let us rather look forward together, and allow me to say in conclusion that the accession of Greece in 1981 will herald the first phase of the Community's southerly enlargement. You have paid full tribute to this event, Miss Flesch; let us make sure that the accession of Spain and Portugal is brought to fruition in the same spirit.

My group will keep a critical eye out to ensure that the negotiations do not get led into a blind alley. Our aim is, and remains, a united Europe of free peoples, and we hope that, hand-in-hand with the Council, we shall be able to make an important contribution towards this process. Other members of my group will be commenting on specific matters. It just remains for me to say that we are pleased to be able to work together with you, and we hope that under the incoming Commission, we shall see a good measure of cooperation between the three Community institutions, the Council, the Commission and Parliament.

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

**Mr Scott-Hopkins.** — Mr President, I join with the two colleagues who have just spoken in congratulating the President-in-Office on the speech she has just made to us. It is always delightful to hear a former colleague come back in a position of such authority and make such a speech to this House, and I would

congratulate her on it. She mentioned many issues which time does not allow one to cover in full. I do not think one wants to look over one's shoulder too much at this particular moment to matters already passed.

As Mr Klepsch has just said, she herself will be there in the Council of Ministers in the future, and she will be taking part in a variety of decisions. We face problems today in connection with the Middle East and oil prices, which I gather are being raised by 9%, starting once again the spiral of inflation throughout the Western world. These are very grave problems, problems which she has talked about and which Mr Glinne mentioned in reference to the steel industry. We shall be keeping a very close watch on this situation, on what the Council proposes.

What I think is terribly important is the point raised by President Jenkins, i. e. the development of institutional links between this House and the Council. Having been in both of them, she will understand my feelings when I say, as gently as I can, that I believe the relationship between this House and the Council is an extremely poor one. I do not think that either of us understands the problems involved. We have got to make improvements in working together, in understanding each other and in trying to get things moving forward. As President Jenkins said, you cannot stand still in this Community. If you do stand still, inevitably you lose your balance or go back. We have got to go forward. With all these problems — unemployment, raging inflation, etc. — we have disastrous days ahead of us if we do not and cannot work together. That is why I think it is so important for the Council and this House to get working much closer together.

I may turn for a brief moment to President Jenkins, who is coming to the end of his four-year period of office. I would congratulate him not only on the speech he made today, which was very much in his best style, but also on the four years of office he has had. It has not been an easy time.

*(Applause)*

Life has been difficult and of course there have been failures, as he said himself, as well as successes. He certainly has had his successes. I think it would be very discourteous of this House if we did not underline this. Without him there would be no EMS. Let us say that quite clearly. I think this will be one of the great advances the Community had made under his presidency.

*(Applause)*

Of course there are other things that he is not perhaps quite so proud of — neither are we, and this is not the time to mention them anyhow! —but let me say this: he leaves this House and he leaves this position with our good wishes behind him; I am sure he will find

**Scott-Hopkins**

useful employment in some other field, perhaps in my own country, and I wish him good fortune in that too.

*(Applause from the European Democratic Group)*

I turn, if I may, Mr President, to one of the things that he said was of importance, and that concerns the question of the rule of law within the Community. I do not pretend to be a profound lawyer of any type or kind. One of the things that really horrifies me is the way that the law can be flouted by Member States — I am not throwing stones at any particular State — and they seem to be able to get away with this with impunity, even after the Court of Justice has pronounced against them for breaking the law.

That I find quite intolerable. All I would say here is that the Commission, the Council and this House must get together and find a way through this particular problem; because if we do not, then I do not believe we shall be able to continue to advance the way we should.

As regards the other issue which has been raised, by both the President-in-Office and the President of the Commission, concerning the situation in Poland, let me say straight away that I hope the Community will give every help it can to the Polish people in their wish to gain the freedom they should have in their own affairs, that there should be no interference from third countries of whatever type and that the Community should go to the aid of the Poles as far as food supplies are concerned. They have had a rotten bad harvest; they have had all kinds of problems over the past few months; and now they have asked for help, and that help, I am glad to hear, will be duly forthcoming.

May I, however, make one or two very quick points in this connection? There must be no question, Mr President of the Commission, of anybody in the Community making a profit out of this food which is to go to Poland.

That is the first point. The second is this. I hope the Polish people will know that it has come from the Community and that the aid they are getting in food is coming from us here in Western Europe at our expense. We give it gladly, but let us see that they know it and that it is not camouflaged by being delivered in Russian or Polish lorries and so on; let it be quite clear that it is Western European food which is going to help.

Thirdly, I hope there will be no question of allowing any entrepreneurial agency to acquire a monopoly in the handling of this Community aid, because if that were so, no matter who it may be, it would be disastrous. So I hope the President of the Commission will take great care to ensure that this is so, that the Polish people know where the aid comes from and that it is properly used when it gets there. I am quite certain

that one of the things we have to do is to make certain that the West is always ready to help those in need, particularly when we ourselves have such an abundance of the good things of life.

In conclusion, Mr President, may I say to President Jenkins, Godspeed for the future! Thank you for what you have done! And to the President-in-Office of the Council, we look forward to seeing you again in that position on many occasions still to come, and we wish you good fortune in that job too.

**President.** — I call Mr Segre on behalf of the Communist and Allies Group.

**Mr Segre.** — *(I)* Mr President, we have to ask ourselves whether the humanitarian observations which Mrs Flesch, the President of the Council was able to bring into the debate, and whether the dramatic impassioned tones used by Mr Jenkins at the conclusion of his mandate are sufficient to fill the political void which has been revealed by the report and, even more, the disappointing void which characterized the Luxembourg Summit.

In our view they do not, and for this reason our overall assessment can only be one of criticism and alarm. It is not a question of our being victims of improbable illusions: we have been and are aware not only of the considerable depth of political cooperation between the nine members of this Community but the depths of the crisis which are the background to discussion of that cooperation; we were and are fully aware of the tangled web of problems hanging over the international situation as, burdened with worries, we start the last lap of this century and this millennium. We are all familiar with these problems but it is perhaps no bad thing to remind ourselves of them.

First, the awful gap between the developed and the developing countries, and the tragedy of famine which we referred to only a few days ago — the heart-rending report by UNICEF that 12 million Third-World children died in 1979. And in opposition to this we have the ever-increasing burden of the arms race which is now running at 500 thousand million dollars a year. Plus the great economic problems: inflation, crisis, unemployment, which affect especially millions and millions of women and children.

If we take all these facts we can see that it is time we considered in depth where the world is going, the choices that have to be made and the paths that have to be followed to guarantee peace and cooperation, to carry on with development, create the framework within which self-determination and human rights can evolve peacefully, democratically and freely. These are the great, the enormous problems we all face.

Mr President, is there anyone who can maintain that the Luxembourg Summit reached or even attempted to

## Segre

reach the heights of these problems, or these challenges which, though they are the problems of the world are primarily the problems of Europe? I doubt it. The general feeling was in fact one of disappointment and of frustration, almost as though the leaders in Luxembourg themselves were the measure not only of a *de facto* crisis but, what is worse, of a crisis which extends beyond the limits of objectivity and generates the feeling of resignation as regards the crisis itself, and of powerlessness, even, of the inability of society to get to grips with reality, to sharpen its wits and bring out new ideas which measure up to the problems. The Luxembourg Summit was wrapped in a thick grey fog like the one which hangs over us this morning, and what is worse that same fog now hangs over the whole of European politics. We shall no doubt discuss this again when Mr Thorn return to this Chamber to tell us of the policies of his new Commission, and how he intends to fight his way out of the straightjacket — as indeed we hope he will — in which the Luxembourg Summit confined him even before he started work, particularly through the steadfast refusal of some countries to consider the question of passing the '1%' barrier.

What we have before us today is a more strictly political question. Who, though, would imagine that Europe — and this is the underlying contradiction — could come to be the world power which it represents today if it had not known how to get round the stalemate which today stands in the way of integration and prevents the launching of truly common policies. This is our unshakable belief and it is precisely because we see the relationship, the cause and effect, that we as a political force feel ourselves committed to a programme of renewal and rebirth in Community politics. We believe in the purpose of a Community in Europe, we believe in the Europe which, with the accession of Greece, is now moving on from nine to ten members, and we believe in the role which Greece is called to follow. And precisely because we believed, because we could see the hope that was raised by the Venice Summit, we cannot now fail to show our disappointment that the Nine have paused to think about the problem of the Middle East and abandoned — temporarily but only temporarily, we trust — all attempt at initiative.

However, it is important that any approach to the Middle East problem looks at four areas: evacuation, self-determination of the Palestinian population, security and the question of Jerusalem; these are the cornerstones of any effective peaceful solution. None the less, such an approach must not remain a mere sterile affirmation; it must be translated into terms of policy and into the capability for an independent initiative. We cannot remain motionless because even motionless we are not at a standstill: as Mr Jenkins was saying only a short time ago in his farewell speech one can only be going forwards or backwards. The risk of going backwards is a very real one which Europe is now running; it is the risk of a

day-to-day existence, the risk of abdicating our international role, the risk of one kind of paralysis while waiting — fearing — the arrival of a worse. And that is the resignation and the paralysis against which we must react.

That is our task here as a Parliament directly elected by universal suffrage. We too — our group is convinced of it — are at a parting of the ways: either we manage to think a little more and a little differently, manage to produce in our debates tangible pointers towards truly innovatory ways forward, manage to outline new prospects which can nourish a new hope and trust in Europe, or we run the risk of becoming swept away with the incapacity and paralysis shown by the Commission and Council.

Perhaps though, ladies and gentlemen, we have now reached the time, as we start upon a new year, to reflect together and deeply on just where we are eighteen months after direct elections and on the political will which it is our intention to express. And today, too, the occasion calls us to this duty which is also our right, since the future of our own institutions is, basically, involved.

Mr President, the problems which Europe as a whole faces today have enormous implications. I think in saying so first of the significance and the importance of the Madrid Conference, and of the significance and the importance of the events taking place in Poland. As far as Poland goes, we Italian members of the Communist and Allies Group have put forward a motion for a resolution, but we are ready and willing to seek agreement with other political groups — in the spirit of the request made by Mr Glinne amongst others — in order that this Assembly of ours may reach a serious, responsible, majority view.

Our own position can be summarized easily: we have confidence in Poland's ability to face up to its own serious problems independently and resolve them — that is an ability which the events yesterday in Gdansk confirmed overwhelmingly — and we are convinced that solving the country's problems concerns the Polish people alone without outside interference. To this end we too would like to stress that every country must in its relations with Poland comply with the United Nations' charter and with the principles of the Helsinki Final Act, and that in particular they must refrain from any intervention, direct or indirect, individual or collective, in the internal affairs of the Polish people.

We are naturally in favour of further development of economic, trading and financial relations between the Community and Poland. It is essential that Poland gets help to overcome its difficulties, it is essential not only to that great country itself but to the rest of Europe, because Poland, on whose destiny we ourselves are building so much hope, is an essential part of this our continent, of its history and of its

## Segre

culture; for the way in which Poland rebuilds today is the way forward for the whole of our continent along the road of cooperation and mutual trust.

**President.** — I call Mr Haagerup on behalf of the Liberal and Democratic Group.

**Mr Haagerup.** — (DK) Mr President, Madam President-in-Office of the Council, it is said that we sometimes spend somewhat too much time thanking and congratulating each other here in Parliament. That may well be so, it may perhaps sometimes be a little irritating, but there are however occasions where it is fitting to express unambiguous thanks. I think that at the end of this Commission's period in office under the Presidency of Mr Jenkins, at the expiry of the Luxembourg Presidency, it is natural to express thanks for the work that has been carried out. I have pleasure in extending such thanks both to the outgoing President of the Council, and to the outgoing President of the Commission, Mr Jenkins on behalf of the Liberal Group and also on behalf of my chairman, Martin Bangemann, who is absent owing to illness.

Madam President-in-Office of the Council, I was very impressed by your personal introductory speech. It was marked by a freshness, obviously inspired by the rather sudden change involved in coming from a seat here and moving over to the other side of the Chamber; however, I wonder how many realize that since this Parliament was elected eighteen months ago, you, Madam President of the Council, are the fifth Member of Parliament to have left — making what I will in no way describe as the sad final journey — and to have crossed over to sit on the other side. In my view — and a few speakers before me touched on this also — this has led to a better atmosphere, indeed I believe, I will even go so far as to say that it has meant an improved relationship between Parliament and the Council, even if we all know that this relationship is not without its problems and complications.

But you are of course right, Madam President-in-Office of the Council, when you say that the Community's political and institutional evolution has as yet not been sufficient to allow the Council an independent existence; I think that your frankness likewise with regard to the Council's difficulties and the Council's inadequacies has helped to give us in this Parliament a more balanced view of that body, which is perhaps needed since one sometimes tends to regard the Council somewhat too implacably as our perpetual enemy which it is not, even if it is sometimes our adversary.

I do not think anyone expects us here in Parliament to express any pity for the Council, but it is right that we should learn from each other and your remarks, Madam President, underline for me how important it is that Parliament adopt a truly common European

approach, even if from different party standpoints, because only in this way can we help the Council and help to strengthen our Community.

If I may be permitted a few words to the outgoing President of the Commission, Mr Jenkins, I will say that in general our attitude to the Commission and its President is less complicated than it can sometimes be to the Council. The Commission, like Parliament, has a special responsibility to the Community, that is not only to the existing Community but first and foremost to the future Community, because as Mr Jenkins said, the Community cannot stand still and to remain alive it must not only remain in equilibrium but must keep progressing. But let us not fool ourselves, the danger of our failing, of our regressing, is a real one. Let us not out of emotion at this moment of parting attempt to gloss over the real situation, without this of itself in any way detracting from the unreserved recognition of the contribution made by Mr Roy Jenkins and the outgoing Commission.

Permit me to say a few words on the recent meeting of the European Council in Luxembourg. I am glad to be able to say that I feel that this meeting was, in the light of the information received and all the statements about it later, a good meeting. I think that the right line was taken on Poland. We must be frank. We must not leave the Soviet Union in any doubt as to how we feel about the situation and we must be willing to come to Poland's assistance immediately if necessary by selling from our stocks at low prices so as to improve the present difficult foodstuffs situation in that country. We have adopted the right policy. It is important that not only *vis-à-vis* Poland but also *vis-à-vis* the outside world, we clearly acknowledge the Community's responsibility in this situation; indeed it may be mentioned in passing, that in such a situation it is perhaps not so completely insignificant that we have at our disposal some surplus stocks, which are usually the subject of much criticism from all quarters. It is indeed not entirely wrong to say that in such a situation the fact that we have such stocks can possibly make a not wholly insignificant contribution to peace in Europe.

Finally, I would also like to express my pleasure at the fact that we have in this way expressed our solidarity with the USA, since it is very important that — not least in a situation such as the present — we clearly demonstrate our positive attitude to the USA and that the West does not give the impression that it can be divided.

Mr President, to conclude just a brief word about the Luxembourg Presidency. It is true, as Mrs Flesch mentioned briefly, that a country like Luxembourg cannot mobilize the same large numbers of officials and make the same massive contribution in other ways as the big Member States. But Luxembourg has more than compensated for quality what it could not provide in quantity. Luxembourg is testimony to the fact

**Haagerup**

that in the European Community and in European cooperation it is not only a country's size and power that count but to a large extent the cogency of the arguments and the personalities behind them. In Gaston Thorn and Colette Flesch, our two Council presidents in the past half-year, we have shining examples of the fact that personalities really count in our Community. This cannot but delight the rapporteur of the Liberal Group in particular though not alone he, because both Mr Thorn and Mrs Flesch came from this group. Need I add that it also gratifies a member who comes himself from another small Member State.

(Applause)

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

**Mr Nyborg.** — (DK) Mr President, the previous speaker asked if the Council were Parliament's enemy and Mr Haagerup himself answered that it was not: No, it is not Parliament's enemy, nor is it the Commission's enemy, but it is perhaps a rather reluctant partner in cooperation. That is understandable. I believe that this is due to the fact that its term of office is so short, just half a year. This point has been raised many times before but no solution has been found to it. By the time the Council has succeeded in settling in, by the time it has settled itself in the chair, its presidency is already over. For this reason I must say, while congratulating Mrs Flesch, that it must be a little frustrating to settle into the President's chair and then have to leave it a month later. One cannot work miracles in that time. At the same time it might perhaps also be said that it can be difficult to keep up one's courage, to be the Community's dynamo on the Commission when one constantly feels that one is just hitting one's head against a stone wall, the stone wall of the Council which unfortunately stands in the way of so many things being implemented.

Thus we come to such matters as technical barriers to trade. A small point, most people may think, but none the less a small matter to which it is imperative that we find a solution if the common market is to become a reality. We have got rid of customs' duties and instead we have got masses of technical barriers. They must go. It is very very sad to know that solutions to many of the technical and trade barriers are lying in the Council's drawers but cannot be implemented because someone has opposed them on some trifle.

The most pressing problem facing us in the very near future is probably our energy supply. For this reason I find it very encouraging to hear that it is planned to concentrate heavily on alternative forms of energy. It is also gratifying, I feel, to hear today that the Council does not propose to call the principles of the common agricultural policy into question. To do so would

mean making a further attack on one of the cornerstones of the Community. The common fisheries policy as I mentioned before is not only desirable but necessary. And it is perhaps especially necessary for the small country which I come from where it is of such major importance for the whole domestic economy and also for exports. It remains indeed too — and is also the view of others — that the Council's policy in the past six months has been characterized by high-flown talk without any great achievements. But that is not intended as a criticism of Luxembourg or the Luxembourg Presidency in particular, because indeed that has practically always been the weakness of the Council. I therefore believe that we in Parliament in general, and perhaps in our group in particular, can say that we are expressing the views of the citizens within our Community when we say to the Council that now they must find a way to be more dynamic. Practical solutions must be found to the urgent problems which exist, the economy, energy, the environment and many others.

**Mr President.** — I call Mr Coppieters to speak on behalf of the Group for the Technical Coordination and Defence of Independent Groups and Members.

**Mr Coppieters.** — (NL) Mr President, first of all my warm congratulations to the President-in-Office of the Council, Mrs Flesch: I hope that she will remain as faithful to the parliamentary institutions as she always has been. At the same time I would like to make a wish for the New Year, that the Council does not forget, in June, in view of the resolution adopted by this Parliament, to make what we hope will be a wise decision about the seat of Parliament.

Mr President, first of all I would like to say a few words about the relations between the Council and the European Parliament. In her introduction, Miss Flesch stated that her first impression of the Council was that it has only just begun to *faire l'apprentissage du Parlement*, and this did not go unnoticed. On the contrary, Madam President, I think that the Council knows Parliament all too well. This is shown by their reaction to the Dutch proposal that the President of the European Council should make a report to the European Parliament: in spite of the French and German attitude I hope that this will happen at some point, because the other Member States were — according to my information — in favour of the idea. We must not let the Council get off too lightly, Madam President. Indeed, was it not in compliance with a Council decision that we were all directly elected? My second remark concerns the North-South Dialogue. Might I remind Parliament of the disagreement between the Member States at the 11th extraordinary meeting of the General Assembly of the United Nations? President Jenkins pointed out at the time that the North-South Dialogue must take first priority at the coming economic summit at Ottawa. Have the Foreign Minis-

### Coppieters

ters moved any closer together since then? I think that the section of the 1981 budget dealing with this can be summed up as pure lip-service to the Ferrero Report, and I appeal to the President of the Council and to the future Dutch President to try to establish a common European standpoint on the issue of the North-South Dialogue.

I will only say a few words about Poland. We must provide support for the trade unions for their solidarity and the developments which go hand in hand with it. I feel that we can show our approval in our attitude to the Polish authorities in general. We are happy with the firm support shown by the Community for the Polish fight for freedom. But I must add — as did Mr Glinne — that this strong support must in no way appear to be expressions or actions of an aggressive or provocative nature. Mr President, I wanted to say something before Christmas, and the peace which must be part and parcel of it, about the other Europe, and these words are directed specifically at the Council. I mean the Europe of autonomous regions and communities, the true 'nations'. And if I use the word autonomous it is in the sense of autonomous constitutions, and not of sovereign independence or separation. Many formidable obstacles must be overcome and we are heading for a turbulent Christmas, with hunger strikes in Northern Ireland and by a few Corsicans in Paris. That is the present situation. The fight for autonomy and all that goes with it, points to a wound which thoroughly sickens the whole of Europe. Finally, Mr President, a few words about the Council's attitude and the steel report.

Mr Glinne, in his speech, quoted Commissioner Vredeling who called the last Council 'a political cowardice'. Let's be quite clear on this. Miss Flesch stated that the Council had not undertaken a single financial commitment. That is so unacceptable that, if the Council persists in this attitude, because the steel report does not contain a single social regulation, Parliament cannot approve the 1981 budget, because this would mark the end of a social Europe, which would be preferable or at least as good as a Europe of industry and investment.

**President.** — I call Mr De Goede, unattached.

**Mr De Goede.** — (NL) Mr President, the Luxembourg presidency has not been an easy one, and I wholeheartedly congratulate Luxembourg on the lead it has given to our activities. This applies both to Mr Thorn, whom we welcome warmly next month in another much more important role, and to our much respected former colleague, Miss Flesch, who, this morning, as President of the Council gave the succinct account we have come to expect of her of the problems facing Europe.

Mr President, the economic situation was on the agenda for the summit meeting on the 1st and 2nd of

December, as it deserved to be. The fast-falling economic growth now stands at barely 1%, perhaps less, unemployment has risen to 7%, inflation is still too high, around 10% next year, and there is a 43 thousand million dollar deficit in the EC balance of trade: our Community's place in the world will fall still lower. A further increase in the price of oil has been announced: there are fresh problems ahead. The final communiqué rightly points out that it is important to allow the international trading system to maintain an open, free and fair character. The statement made by the Council on 25 November on relations with Japan was consolidated by the summit. Fortunately, it steers clear of any form of shortsighted protectionism, proposing discussion, for example with Japan and the United States about problems in the car and iron and steel industries. We feel that this is the right approach. The summit also gave some consideration, as indeed it should, to the fight against that monster called unemployment. I would like to express my approval for the decision taken to hold a joint meeting of the Ministers of Finance, and Economic and Social Affairs, during the Dutch Presidency, which begins on 1 January. So far our success with unemployment has been far too limited: new incentives from our Parliament as well, are vital.

The European Council has yet to turn its attention to the energy situation. There is a disappointing discrepancy between the aims formulated at the various summit conferences and the fact that there was no concrete policy to achieve these aims through concrete budget items. Better coordination and concertation are essential. I support the Community's statement on Poland. Our thoughts and sympathy are with the valiant and imperturbable Polish people.

Moral and material support is justified in every respect. Mr Glinne has already expressed my feelings and opinions.

Above all I want to congratulate Mr Thorn on his efforts to clear up the problems of the Middle East and Palestinian question. I hope that under the next Dutch Presidency further progress will be made in this direction. I see the support to southern Italy, which was mentioned earlier, as an encouraging beginning to our support for a region which has been heavily hit. The Community must continue to offer support of every kind. I don't fully understand the self-satisfied passages in the final communiqué from the Three Wise Men. What concrete recommendations have been adopted? Perhaps Miss Flesch can clear this up, because she has told us what is not happening, e.g. there is to be no change in the number of members of the European Commission. Like the previous speaker, Mr Coppieters, I hope that the new Dutch President of the Council, and of the European Council, will appear in our Parliament. Finally, I would like to thank President Jenkins for all the work he has done as President. I hope that he will not disappear completely from European politics. His dedication will

**De Goede**

continue to be essential in his own country, as in the Community, for the future development of Europe.

**President.** — I call Mrs Van den Heuvel.

**Mrs Van den Heuvel.** — (NL) Mr President, I would like to make one or two remarks on the speeches made by the President-in-Office of the Council and the President of the Commission. I believe that as first speaker in the second group of speakers, it falls to me to give the votes a thanks. If it is my obligation, my gratitude — as I am sure you will know — is none the less sincere for that. Because I have so little time to speak, I will make my comments, as far as possible, in the form of concrete questions to Miss Flesch. She said that her answers will be in the same critical and candid vein that we have come to expect of her in this House. So perhaps this time, for once, my questions will be answered.

I want to make a few remarks first of all about the Middle East. The European Council has deliberated it, on the basis of Mr Thorn's report which — according to Miss Flesch — must remain an internal, confidential working document. I wonder how the Minister reacted to the desire expressed in the Committee on Policy to see this report. And I wonder how she reconciles her reaction with the esteem and respect which she said she felt for the European Parliament in her speech? How can a Parliament exercise its role as a controlling body when it is not allowed to see such important documents? I can understand that certain facts, perhaps even commentaries, from a report of this kind cannot always be published, but why should the Council not adopt for example what is common practice in the Dutch Parliament and give the report to the members of the Committee on Policy for examination as confidential information? Contact with the Middle East countries will continue, according to the Minister. This task falls to Mr Van der Klaauw who put his ideas to the Council yesterday. Did the Minister deny the persistent rumours that the Minister of Foreign Affairs might be considered unsuitable for this diplomatic job, in view of his pro-Israeli leanings? Perhaps you will tell me. I sincerely hope that this does not mean, as Mr Segre said, that things will be held up and certainly not for those reasons.

I didn't fully understand what the President said about the report of the Three Wise Men, and contact between the European Council and the European Parliament. And I am afraid that this was not an accident, because even the communiqué issued after the meeting of the European Council is particularly vague in this respect. This makes me, good parliamentarian that I am, suspicious. A few vague words are all too often used to conceal an unpleasant truth and I am afraid that in this case, the cold reality hidden behind the words could well be that what is in store for the report of the Three Wise Men is really a burial, it will be given a good send off, but it will be buried

none the less. With respect to the proposals contained in the report, aiming to improve the work of the European Council, I would like to point out that — contrary to what Miss Flesch has just said — the fact that no agenda had been drawn up for the European Council meetings is most definitely not positive. Furthermore a lot was said in the report about the improvement of relations between the European Parliament and the European Council.

That last point obviously did not appeal too strongly to the European Council. No agreement — according to the President-in-Office — was reached to alter present procedure, which enables the President of the Council of Ministers of Foreign Affairs to appear in the European Parliament. This failure to reach agreement reflects the attitude of some of the Governments of the Member States that the status of the European Parliament must at no cost be increased by the presence of government leaders. The Dutch Prime Minister, however — Mr Coppieters and Mr De Goede have already spoken about this — stated, in response to the Biesheuvel report, that he would support the suggestion. Surely one or more of the other government leaders cannot intend to veto it? In a somewhat desperate attempt to excuse himself in advance for the Dutch Prime Minister's compliance with an order from one or more of his colleagues, late yesterday evening in the Dutch Parliament, the Minister of Foreign Affairs, on behalf of the Dutch Government, reminded Parliament of an earlier decision made by the European Ministers for Foreign Affairs, stipulating only their appearance in Parliament. Perhaps Miss Flesch can tell me which decision this was. When was it taken and, what is of particular interest to me as you can well understand, when was that decision put to the European Parliament?

As to the Spierenburg report, the President-in-Office said that the European Council has decided not to change the number of commissioners. But might I just remind her of a very recent declaration made by the Dutch Minister of Foreign Affairs yesterday evening, about 11 o'clock in the Dutch Parliament, that there will be further talks about the number of commissioners when Portugal and Spain join. Can she confirm this for Parliament?

Finally, Mr President, a question on energy, which I would have preferred to have put to the Committee on Policy which would perhaps be more appropriate, but which — and Claude Estier will be speaking about this later — I have unfortunately not had the opportunity to do. It concerns what was said in the Final communiqué on energy from the European Council. In it the European Council recalled a previous agreement to decrease our dependence on crude oil by energy conservation and by tapping other energy sources, including coal and — this is what really struck me — nuclear energy. I would like to ask the President-in-Office: was it a unanimous decision, or did any government leader raise an objection?

**Van den Heuvel**

Mr President, I have asked a number of specific questions. Once more, I hope that the President-in-Office, for whom I have very high regard and whose speech I heard with great interest, will answer my questions in the candid manner for which she is renowned.

**President.** — I call Mr Estgen.

**Mr Estgen.** — (*F*) Presidents of the Council, ladies and gentlemen, succeed one another and we can always hope and expect them to be dissimilar. Indeed, we the European Parliament and with us the other Community institutions expect a new impetus with each new presidency, a new dimension, further definition and a breakthrough in European politics. Sometimes we are bitterly disappointed. Some, indeed, would maintain that we are just 'waiting for Godot' if we expect something novel when a new presidency takes over from the old. The six-monthly rotation system, whereby the presidency passes on from one government to another amongst what we might as well now call ten Member States, has itself frequently been the subject of criticism.

This system does of course have obvious disadvantages, but it does also have real benefits in terms of Europeanism and democracy. For as a result of this system it is a little more difficult for the more powerful members of our Community to impose policies which are of excessively unilateral interest. Furthermore, the change of nationality frequently brings with it a change of attitude because the Community is then guided by different political lights. On the other hand it is possible for there to be continuity and convergence in a common political ideology in successive nations, as is currently the case. The Italian presidency has been followed by the Luxembourg presidency which will be followed by the Netherlands presidency, all of which are heavily influenced by Christian Democrat politics. The fact nevertheless remains that a change in the presidency is the time in European circles for reflection, a time to examine the results, the successes and the failures of truly European policies, and to do that is no bad thing in itself.

It is generally agreed that the Luxembourg presidency has been exercised during a particularly difficult period with an exceedingly tense international situation, perilous flashpoint areas, the economic and social situations reaching a critical stage in more than one area, difficult relations between East and West and problems with *détente*, major changes within the Community with the handover to a new Commission and the enlargement of the Community from nine to ten members, and an earthquake of extraordinary violence causing untold human and social suffering. Faced with such serious circumstances, in such turbulent times, one can only appreciate the wise and determined policy practised by the Council during the Luxembourg presidency.

In this context I would particularly like to congratulate the Council on the efficiency and the solidarity which it demonstrated in its decision to offer a special aid programme in addition to the emergency aid for reconstruction in those areas of southern Italy affected by the appalling earthquake. We can also be proud of the feeling of responsibility and cooperation fostered in the field of international policy where, as Mr Thorn so rightly said in this very House — and, believe me, he should know — that the European Community is now an established fact on the international scene. No matter what your views may be on the results of the mission which was entrusted to Mr Thorn at the Venice meeting of the European Council, we have at least to acknowledge that he has made a major contribution Europe's impact on the international scene and, in contrast to the pitiful image which Europe presented when faced with international crises and problems in the not-too-distant past, the Nine have now managed to achieve close coordination in their attitudes at the Madrid Conference, where they are following the guidelines set out by the European Parliament. This appears even more plainly in the unequivocal position adopted by the Council with regard to the situation in Poland, and where the determination and firmness shown by the European Heads of State follows precisely the lines set in the resolution drafted by my group and others.

The clearest and most beneficial effect of the direct influence of the Luxembourg presidency has undoubtedly been felt in relations between the Council and Parliament.

As Mrs Flesch so rightly said, the Council has only just started to serve its apprenticeship with Parliament, but it can equally be said that the articles of that apprenticeship clearly bear the signature of the Italian and Luxembourg presidencies. During recent months dialogue and cooperation with Parliament have, with the respect due to this Assembly which represents the will of our electors, developed mainly thanks to the resolve and skill of the Luxembourg Ministers, Messrs Werner, Thorn and Santer, Mrs Flesch and Mr Ney.

And this is no surprise if we recall that half the members of the Luxembourg Government have been members of this Assembly and retain feelings towards it of a kindness verging on nostalgia. During work on the budget the goodwill of the Luxembourg presidency — a goodwill which was not always shared by other members of the Council — was very clearly demonstrated, and I do not think that anyone will accuse me of chauvinism if I take this opportunity of drawing attention to the diligence, the zeal and the ability of the staff supporting the Luxembourg presidency. All too often this important element is overlooked. And in addition to this team spirit, Jacques 'Sans terre' — if you will allow me the pun — has become in the eyes of this Assembly a knight in shining armour for having despite the opposition of some of his colleagues, called a meeting today, here in this



**Estgen**

very building in Luxembourg of finance ministers for final agreement of the budget.

I need not go again through the Council's positive achievements of the last six months since Mr Klepsch, the leader of our group, has already done so most competently and I share his views on them; none the less, despite the European outlook of the Luxembourg presidency we remain unsatisfied in many major areas and I have to stress at this point my own disappointment and concern that the Council has not yet even sketched the outline of its future policies on a number of major problems.

I refer particularly to the questions of energy and security, on which our future depends directly, together with the Japanese question, of course, industrial restructuring, strengthening of small and medium-sized undertakings, coordination of our foreign and economic policies. These will be the price we pay for Europe's credibility. And I am still not forgetting those questions which may be less important for some Member States but remain prickly and irritating for the Community: the problem of this Assembly's own seat, in which I am far from confident of an equitable solution, as you will no doubt have guessed. We still have to get past this wretched 1% limit in budget debates and we have to define very clearly those future tasks which will fall to the Community, those which will remain the exclusive domain of Member States, and those where work is required at both Community and national levels. On all these issues the Commission must, as Mr Werner said quite plainly yesterday, move resolutely on with its plans and get things moving.

I should like finally to pay tribute to Mr Pierre Werner, President of the Government of Luxembourg, who was prepared not only to greet this Assembly here yesterday and welcome it to the capital of his country, but to address the Assembly on equal terms and give an account of the meeting of the European Council which he had chaired. It was without the slightest doubt a statement of policy, although some may not have liked it, and our distinguished president paid due tribute to the fact in her reply.

I join her in hoping that the Netherland's president will go even further in his boldness towards some of his colleagues — in this I agree with you, Mrs Van den Heuvel — and will cross the Rubicon and speak before us here in this House. If — as Mrs Flesch so clearly felt and expressed — the Council and the Parliament are still worlds apart, one can nevertheless see in this move towards a *rapprochement*, a sort of relay race where team members hand on the baton from each to the next.

I am sure that Mrs Flesch, as a sportswoman, will appreciate my use of this image.

None the less, the baton was passed on smoothly from the Italian to the Luxembourgish member of the team

who will, I am sure, be passing it on to the Dutch member with a fine turn of speed for the tasks which lie ahead of us.

**President.** — I call Mr Fergusson.

**Mr Fergusson.** — Mr President, I first want to put on record how close we are in my group to what President Jenkins gave as his reading of the present imbalance in Community development and of the road that we must travel in the future. We welcome most particularly what he said so firmly and movingly about the United Kingdom's part in Europe. No country needs to confirm and keep its position in the Community more than ours does. I too would ask that the President's successor duly report back to us here on how the food aid to Poland that we have discussed and that we are now giving has been handled and received.

I should like, before I get to the main body of what I want to say, formally to move the amendment to the Glinne/Klepsch resolution on aid to Poland to which Mr Scott-Hopkins has already spoken. It does not conflict with the resolution, but merely spells out the spirit in which the aid is willingly given. In a single new paragraph, after the first in the Glinne/Klepsch draft, it says that

the Parliament expresses its determination that no third party shall profit from this emergency operation and requires the Commission to ensure that it reaches the civilian population for whom it is intended and that the origin of the food aid and the fact that it represents a substantial financial contribution by the people of the Community is made known to its recipients.

Mr President, it is unfair to look for enormous successes in a presidency only six months long. Possibly each presidency can only be judged long after by what it has fostered. The Luxembourg presidency has, however, been marked by an exceptional understanding between Council and Parliament, thanks, I feel, to the skill and charm of Mr Thorn and Miss Flesch. We shall see whether Mr Thorn's great foreign policy initiative in the Middle East may one day bear fruit.

We may yet decide too that the Luxembourg presidency heralded a new era in Community cooperation in foreign affairs. But there we hesitate. The treatment of the Italian earthquake, for example, or of the steel problem is one thing, but these are internal EEC matters. The Council of Foreign Ministers has moved very little further forward towards achieving a quick response, as the Nine, to international crises. Worse, it has not moved forward from its lethargic reaction to crises towards a posture in which it can not only anticipate but dictate events. This is a pity when the Nine — in the UN and, as has been observed, in relation to the Middle East — are able and willing to act and

### Fergusson

speak jointly and when, as in the case of the Madrid Conference, they are publicly seen to adopt common positions and policies.

Most regrettably of all, among the dangers of 1980 is the absence of action on the realization that the Community, acting with America, holds an economic instrument of great weight and power in the world. It is one which, as I shall argue, must now be made ready with all speed, not only for security reasons but for straight economic ones. Miss Flesch referred to the duality of a strong America and a self-confident Europe. Well, my colleagues and I are preparing a resolution to persuade the Community to consider what we might achieve together.

Last July the Presidency put forward two priorities for itself: tackling the energy crisis and bridging the economic gap with the Third World. Since the Third World has been even more battered, if this were possible, by the energy crisis — that is to say the high price of oil — than the industrialized free world, energy really is the key. The Gulf War has ensured that the energy crisis is vastly greater than it promised to be only six months before. That war has ensured that it will take much longer to solve the crisis. But that is not the only way in which the economic outlook for Europe and the world has markedly deteriorated since the Luxembourg presidency started. Another is the continuing occupation of Afghanistan and the constant military threat posed to the Gulf area and the Indian Ocean. A third is Poland, not what the Poles, government or people, have done, but the tension now stretching across the world created by the threat of further Soviet military interference in that unhappy country.

I must refer too to the breathtaking effrontery of Brezhnev's new doctrine for the Gulf. No foreign presence, he demands, while his divisions sit on Iran's own back doorstep! It is also breathtaking speciousness for Moscow to read the Polish crisis the way it chooses to. Yet possibly it is no more breathtaking to anyone who knows the history of Czechoslovakia than to hear a Czech government, a Czech government of all governments, preparing to justify the invasion of Poland by one or more of its neighbours.

The effect, at a time when the energy crisis demands that the whole world turn its attention to sustaining the poor countries and re-entrenching the economies of the rich, is more world destabilization and the need to switch more and more resources from peaceful purposes to those of defence. The cause — I repeat — is the savage imperialist adventurism of the Soviet Union in Afghanistan, more naked than their attack on Africa, and the Soviet Union's imperialist domination over an East European country where, to put it at its simplest, the human urge for the fundamental freedom of mankind has stirred again and where — and this is the point which I ask the President-in-Office to notice — there has come about at last the inevitable

failure of a Communist economy to provide for its own. It is inevitable, because no people is prepared indefinitely to labour for a tyranny under whatever guise. The Soviet military machine is in full operation in one sector from where no threat had come and mounted and waiting to enter another, risking heaven knows what drain on its own resources, risking new economic burdens on its own people and new physical dangers to the whole world if the operation should go ahead. All this is combined with military and naval deployment round the world at a level which no balanced peacetime economy can stand — a deployment not only menacing, not only unproductive but the reason why the world as a whole cannot meet its obligations to humanity.

Objectivity is hard to maintain when East and West are at such odds. But one wonders whether truth has ever been stood on its head quite so flagrantly — black declared white, wrong declared right, war declared peace and peace declared war — as has been done by the Soviet propaganda machine in 1980. I repeat what I said to this Parliament three months ago that the only anti-Socialist forces at work in the Soviet bloc are man's natural unquenchable need and desire for the freedom of his person and his spirit.

Now against all this what can political cooperation in the Community achieve? I return to the question of economic policy towards the East. I assert the now over-riding need, as we send our food to the Polish people and as Russia points guns at them, to examine the part which our economic and technological liberalism plays in sustaining the odious regimes of that bloc, not least because of the trade advantages enjoyed by the German Democratic Republic. Because the balance of trade, credits, technological and economic advantage is still overwhelmingly with the East and because we may still avoid a dangerous degree of dependence on the Soviet Union for our energy needs, I believe above all that the Council of Foreign Ministers must now turn its attention to considering how the Soviet government may be obliged properly and adequately to feed, clothe and shelter the entire empire over which it holds dominion and thus to leave the rest of the world in peace and at peace and able to meet the great human crises which we now face.

**President.** — I call Mr Wurtz.

**Mr Wurtz.** — (*F*) Mr President, ladies and gentlemen, the Heads of State and of Governments of the Community did not fail at their most recent Summit to add their own voices to the blustering campaign which is continuing around the events in Poland.

I should like to express unequivocally on behalf of the French Communist Members of this House our condemnation of such an attitude towards the people

**Wurtz**

of Poland, which I have no hesitation in describing as hypocritical and malevolent.

The Council had absolutely no right to interfere in this way in Poland's affairs. The principle which states that the Poles and the Poles alone have the right to solve the social, economic and political problems which face them applies to everybody. This principle has our total support and has already been repeatedly asserted by the leaders of Poland and indeed by the leaders of Poland's allies, a fact which most of you are being particularly careful not to mention.

This initiative by the West European leaders was not only intolerable on the grounds of principle, it was particularly unfortunate in a situation where the Polish people and their leaders are making enormous efforts to solve their country's problems and make progress. You might as well admit that it had no other purpose than to heighten the tension and stir up more trouble. To play games like that endangers the people of our entire continent and of course runs totally against the interests of the people of Poland. That was the interpretation placed on it by political, trade union and religious leaders in Poland who were unanimous in condemning the dramatization campaign being conducted in the West.

What the leaders of the Nine were really hoping for was to be able to use the events in Poland to poison the international climate, then use that to justify to public opinion increasing defence budgets, installing Pershing and Cruise missiles on our continent, restarting the European defence project and strengthening every aspect of supranationality. More generally speaking what the Council was angling for in its speculation on events in Poland, was an excuse for even closer association between the Nine and the Atlantic Alliance, with Ronald Reagan's America and with its new champion of human rights, General Haig, about whom . . .

There is no need for me to say that such policy is totally alien to us. We are determined defenders of the independence of peoples and the sovereignty of nations, starting with our own, and what we want to see in Europe is not a climate of confrontation and hatred but one of confidence, mutual respect and fair cooperation. For that the wind of the cold war must stop blowing so that we can straight away contribute to the success of the Madrid Conference and make a sincere effort to defend *détente* and consolidate peace. That is the essence of the campaign which we are conducting both in this Assembly and in our own country, and I have to say that the international situation gives us every reason to continue confidently along that path.

**President.** — I call Mr Galland.

**Mr Galland.** — (*F*) Mr President, ladies and gentlemen, may I first of all say to Mrs Flesch what a source of pleasure and of pride it is for us to see her on the Council's bench in this House as President-in-Office.

However, even friends must sometimes disagree and I have to remind you once again, Madam President, of our main reservation about the mission to the Middle East which was entrusted to your predecessor, Mr Gaston Thorn, by the European Council. I intimated to him when he took up his duties five months ago that we disagreed on one essential point. We still maintain that in order to be an acceptable arbitrator, an efficient mediator — in order, in short, to succeed in the quest for an acceptable solution and an overall settlement in the Middle East — it was — indeed still is — necessary to impose prior conditions of equivalent weight on both sides. You did that for Israel when you raised the questions of evacuating occupied territories and of the status of Jerusalem. But you did not do the same with the PLO. You have four chapter headings, but a fifth is missing. The PLO cannot and must not be considered as a negotiator unless and until it has repealed Articles 19 and 22 of its Charter, which call for the destruction of the State of Israel. Until this prior condition has been met Europe will not be acceptable to both sides, and overall settlement of the conflict will not be obtained through our good offices. In Israel's view, international status for Jerusalem was unacceptable, yet we insisted on it. Why then could we not have insisted that the PLO repeal Articles 19 and 22 of its Charter? Because it was unacceptable to the PLO? Why should sauce for the goose not be sauce for the gander? Is it perhaps because these conditions are thought to be self-evident and that they should therefore be imposed when any agreement is ultimately signed? If that is the case, though, what a strange sense of priorities — and what a risk!

Forgive me, Madam President, but there is no equity in that and Europe's reputation suffers by it; as for the ethical aspects, I have to tell you that the situation makes a number of us feel extremely uneasy.

Mr Thorn did a great deal during his mission. We still believe that he was one card short of a winning hand. That card is still missing and we can only lament the fact.

**President.** — I call Mr de Lipkowski.

**Mr de Lipkowski.** — (*F*) Mrs Flesch, I do of course offer you my congratulations on your presence over there on the Council bench and I regret having to disturb this general atmosphere of congratulation and self-satisfaction to express my concern at developments in what are called the 'European Summits'.

They were something whose introduction we welcomed, having the experience ourselves of the

de Lipkowski

Council of Ministers. I know how things were becoming bogged down. We hoped that high-level decision-making would give fresh impetus to the building of Europe. That indeed turned out to be the case for regional policy, for the European Monetary System and even for the decision which led to this Assembly being directly elected by universal suffrage. The two most recent summits, however, have shown a trend which is becoming more and more worrying. From one summit to the next we have slipped into the abyss of paralysis and verbosity. This is now a Europe built on words, and not on deeds.

What then have the results of these last two summits been? The most recent, particularly, did after all have a number of solid subjects to discuss. The Nine met and spoke of their concerns. It may be quite reassuring that they were all concerned together, but that is no consolation to the 250 million workers who have good reason to be worried. As far as energy is concerned it was recognized that the Energy Ministers had done a good job when they decided to draw on their oil stocks in order to limit price rises on the open market, but I do wonder whether a condition has not been set for drawing on stock only when the USA and Japan have done the same thing. If that condition has been imposed then we are in exactly the same position as we were 18 months ago when such a decision was taken about the spot market, which was never enforced.

As regards the rest, this is the year nought. Nothing. No decision on a permanent seat for the European Assembly. Second stage of the European Monetary System differed. Yes, we should coordinate policy on interest rates, but how shall we do it? No-one has told us. And then something else is happening: there has been vague talk of unemployment which affects seven or eight million workers. And we are told 'yes, that is very interesting; you are quite right, there is some unemployment and we are going to carry out an in-depth study through the Ministries of Economic, Financial and Social Affairs'. It is a rather curious kind of ping-pong. What happened was that we created a European Summit as a supreme authority for when the specialist ministers could not give the necessary impetus or could not resolve a problem. Now, we have a European Summit and when it is in difficulties it sends the dossier back to the Ministers. When Catch 22 relates to something as serious and distressing as unemployment then paralysis sets in. Lastly, I believe that something should have been said on a common commercial policy, particularly on the protection of sensitive sectors such as the automobile industry.

So our self-satisfaction, delight and self-congratulation are based on the fact that Europe henceforth appears, so we are told, as 'an actor on the international scene'. Very nice. It strikes me rather that Europe has put in an application to be an actor and that having failed to offer a solution Europe has offered her services. Neither the application nor the offer of services has been accepted... I do not wish to

take anything away from the efforts of Mr Thorn who most worthily set about his mission to establish contacts in the Middle East, and who can now only hand responsibility for that mission on to his successor, although I am not sure that she will actually be able to do anything to change the situation.

As regards the rest, I do not really see how the Community can be taken for a proper actor on the international scene. It was on such a basis that the Nine decided to 'support' any action or initiative which was likely to lead to peace and stability in Lebanon. That was in Venice. Of course, they were careful not to put forward themselves any propositions for peace and stability in Lebanon. They would, however, have 'supported' anyone, anywhere in the world, who stood up and made his voice heard. And as there has been no action and no initiative the Nine still have their good intentions, and Lebanon still has its civil war.

Not a word on Irak and Iran. Poland: the least possible that could be said, so as not to fan the flames, so as to show moderation, so as to allow the Poles to sort their own affairs out themselves, but if anything does happen then the least we can do is to renounce the Helsinki Agreement.

Europe has fallen into the quicksand of words and speeches. We congratulate ourselves on having meetings at the highest possible level which no longer produce results. It is the European Council which is doing nothing, and we should realize it and do something about it. That is our task and if we do not fulfil it we shall be like those Cocteau characters who said 'Since we don't understand how it works, let's pretend we are in charge of it'.

*(Laughter)*

**President.** — I call Mr Capanna.

**Mr Capanna.** — *(I)* Mr President, perhaps someone could tell me the reasons for the silence, the complete silence, both from Miss Flesch and from the Council, on the matter of the Iraq-Iran war. It is a war which has been going on now for three months, between two crucial countries, crucial not just because they are among our principal oil producers. It is a war which broke out, let's be clear about this, as a result of the deplorable, overt, aggression of Iraq. I want to know why Europe is so slow to take some positive steps towards peace, offering its services as interlocuter for decisive political and diplomatic action which would silence the guns in that part of the world.

As for the Middle East, Miss Flesch made two points: that our nine governments are still deliberating, and that contact will be made at a later date. All this — since we are refusing to face the real problem — is no

**Capanna**

more than a waste of energy and a reason, yesterday for Mr Thorn and tomorrow for his successor, for round-world trips. And while we are pondering, Israel is continuing to bombard the Lebanon and above all the strongholds of Palestinian resistance. When we talk about the Lebanon, it is as well to know that we are in fact talking about seven small states, lying within the borders of what is now a geographic term known as the Lebanon.

How long will it be, Mr President, before the problem of the autonomy of the Palestinians will be resolved, how long will the war continue to rage in the Middle East and to endanger peace and security throughout the Mediterranean? Europe pretends not to realize that the Palestinian resistance is not striving to cast the Jews into the sea, but to build a multi-religious, multi-racial, democratic society, in which Jews and Arabs, in which Jews and Palestinians can live side by side, as they have done for centuries, for millenia. I say, therefore, that Europe and its Parliament must recognize the Palestinian Liberation Organization as legitimate representatives of the Palestinian people. This is the only road which can lead to peace in the Middle East.

**President.** — I call Mr Romualdi.

**Mr Romualdi.** — *(I)* Mr President, ladies and gentlemen, first of all I want to express the high esteem, on my own behalf and on behalf of my non-attached colleagues from Italy, in which I hold Miss Flesch who addressed us this morning in her new role as President of the Council, at the end of her term of office. It has been an eventful six months in which many initiatives have been taken, even if they were not always entirely successful on a political, or an economic and social level. Over the past six months, Minister Thorn has worked intelligently, but his work, as has been demonstrated by the serious problems in the Middle East, now that the commitments undertaken in the Declaration of Venice mentioned this morning, have been put into effect, could go no further than a thorough fact-finding examination into the possibilities of agreement, and into how far the real protagonists, that is the Israelis and the Arabs, in particular the PLO, are open to the various proposals for solution. In our opinion however, unlike that of Mr Capanna, the PLO is not yet capable of representing the Palestinian people and their rights to a free choice and a free and independent country, in a reliable and responsible way. But what are these solutions? They are in fact very confused. The spirit of Camp David, that spirit which if nothing else reopened relations between the Arab and Israeli worlds and established meaningful relations between Israel and Egypt, the real protagonists of the war, is that spirit alive or dead? The new American administration, which, as the President of the Council said, we naturally hope will strengthen relations and so bring more security to the Western

World, seems to want to continue its policy in the Middle East, reviving this spirit and developing the peace proposals put forward at Camp David. Are the Nine in agreement on this? Or are we, as it would seem, closer to the standpoints and activities, which were not so long ago terrorist, of Yasser Arafat, who was mentioned earlier? Egypt is certainly not representative of the entire Arab world; above all Egypt has no oil. But Sadat has shown such a responsible attitude in his desire for peace in the Middle East, that the countries of the Community would be wrong to forget him. What about the safety of the shipping lines in the Persian Gulf, and the Ormuz Straits? Not a word. But if, as Miss Flesch said, the Nine are justified in continuing to regard oil as the principal source of energy for their survival and for the economic and social development of the West, how can we not be concerned to protect the oil routes with an adequate naval force?

As to Poland, we welcome the declarations of goodwill, and the Community's unqualified willingness to give food aid. No one said: aid from the West, or the armoured tanks of Russia. Perhaps this is not entirely true, there may be many other reasons for driving armoured tanks to the very point of invasion. But this does not mean that aid is not just as essential, right and urgent.

On this point, and on the subject of the visit to Moscow by the Italian Minister for Foreign Affairs, a somewhat mysterious visit, we would be dishonest if we did not admit to being worried that Mr Brezhnev was careful to find out from the attitude, and even from the very words, of the Italian Minister for Foreign Affairs, the somewhat differing attitudes of the individual countries of the Nine, that is the splits in the solidarity of the Community, a solidarity which is growing all the time, a solidarity fundamental to our freedom, to our independence, to our development, to the resolution of our social, economic and political problems, as Mr Jenkins has just reminded us: I would like to thank him as he leaves the Commission after four years of hard and intelligent work.

I have quite a lot to say about the Madrid Conference. It is not clear how or why it is proceeding, but it is proceeding nonetheless in the hope, even if at times it seems more like resignation than hope, that it will end in documents and statements, which take into account in the name of the hallowed principles, the three main areas of concern, starting with human rights: President Flesch made this point a little while ago. But I am afraid, and the words of the President add to my fears, that the Conference will do no more than pave the way for the proposed European Conference on Disarmament which seems at this moment to be the main concern of the Nine.

However, Soviet Russia is also eager that this Conference on Disarmament should take place. This is what Russia is expecting from the Conference of Madrid, and it is certainly not out of love of human rights,

**Romualdi**

ladies and gentlemen, or peace, at least not peace as we see it, that is peace in safety and freedom. Perhaps we are wrong, but perhaps it is true — as someone maintains — that there is a democratic, a free Russia, a democratic, a free communism, whose desire for a peaceful society is stronger than anyone else's. But high as we rank the importance and value of our institution, we sincerely do not want that someone to be our Parliament.

**President.** — I call Mr Estier.

**Mr Estier.** — (*F*) Mr President, after what has been said by Mr Glinne and Miss Van den Heuvel, I will limit myself to one subject, but one which involves us all, whatever group we belong to: it is the indifference, for want of a better word, which the European Council, and more generally the Council of Ministers, shows towards the European Parliament, its work, its resolutions.

This is why the long communiqué which marked the close of the last summit at Luxembourg contains no reference to the European Parliament. And yet it had the opportunity to do so at least twice: one was the report of the Three Wise Men, which Mrs Van den Heuvel has already mentioned, and the other, more specifically, was social policy, and the concrete steps to be taken to fight unemployment. Its about time, ladies and gentlemen! The communiqué refers to dialogue between the two sides of industry, and coordination with what is happening in the Member States. This is no commitment: they are just words, but no mention is made of the European Parliament even though it has debated these problems on several occasions, and reached conclusions: our Group even tabled a series of concrete proposals on the subject of employment.

Let's be clear about this: this is not the first time we have met this indifference. I will only give you one example, but an example which I feel is particularly significant. Last October, after serious debate, we adopted, by a large majority, a resolution on the Conference on Security and Cooperation in Europe, to be held at Madrid. It contained positive suggestions, and came just in time before the event. Now we know that the resolution was not even brought before the Council of Ministers who followed the Conference of Madrid and were to debate it, so that the resolution was not even discussed.

We thought it had been decided, on the other hand, that the Council would inform the European Parliament of its work programme, and would provide a report immediately afterwards. This is far from the case, and I would like to remind you of the absurd situation in which our Committee on Policy found itself at its last meeting, which took place the day after the summit at Luxembourg. One of the items on the

committee's agenda was a debate on the conclusions of the summit, but no representative from the Council considered it worth his while attending to answer the justifiable curiosity of the members of the Committee on Policy. No Commissioner was there either, and we had to be satisfied with the director of Mr Jenkins' cabinet, who did his best of course to answer our questions, but obviously did not have the authority to give us any detailed information.

I can find no better way of expressing the Councils lack of regard for the European Parliament. The situation is inadmissible, and we cannot continue to accept it for much longer. It was of course with great satisfaction that we learnt that the President of the Luxembourg Government itself was to appear before our Parliament, but what we are waiting for is real permanent dialogue, which will allow us to fulfill our proper role as an elected body.

I can find no better way of expressing the Council herself once a member of this Parliament, understands and shares these feelings, and that she will work, as her predecessor Mr Thorn did on several occasions, towards a better understanding between the different institutions of the Community, and above all towards a higher regard for our Parliament and its work.

**President.** — I call Mr Jonker.

**Mr Jonker.** — (*NL*) Mr President, a number of Members have already made the point that this is the last time we shall have the opportunity and pleasure of exchanging views with the Jenkins Commission in a political debate. On behalf of my Group, I should like to thank the Jenkins Commission once again most sincerely for all the work it has put in in what were extremely difficult circumstances. It has had to operate in what was, and still is, an unfavourable political climate in Europe, and in an economic climate which has made it increasingly difficult for the Member States to make substantial concessions. The trend towards protectionism — and hence nationalism — within the Community is becoming stronger, and for that reason my Group was pleased with the European Council statement to the effect that international trade must be open, free and fair, and we hope that these virtues will again be stressed next year when it comes to reforming the common agricultural policy. One of the authors of the European Treaties — a Dutchman, Mr Beyen, who has been all too often forgotten in the past — said as early as 1958 that European integration must be brought about at times of economic prosperity because in recessions the Member States are either not willing or not able to make sacrifices. That has been the situation during the Jenkins Commission's period of office.

Mr President, we are all now going through a recession, and any Commission — no matter who its

**Jonker**

members — would have suffered its effects. Things would not have been radically different under any other Commission, and I should therefore like to say with all possible emphasis on behalf of my Group that precisely because of this difficult situation the Jenkins Commission's achievements on the EMS, industrial policy, external economic relations with both rich and poor countries and enlargement are all the more remarkable. That does not mean to say that we have never been critical of the Jenkins Commission's policy; nor does it mean, Mr President, that we have never questioned the policies pursued by the Council of Ministers or the European Council. Of course we have, and I shall be coming back to this. To take the last point first: when, despite talk of the fact that, before the Community is enlarged still further, the institutional relations at least should be strengthened and the voting mechanisms and decision-making procedures improved, we find that at the summit meeting of 1 and 2 December, as Mrs Van den Heuvel said, the final nail was hammered into the coffin of the Three Wise Men's report — I am prepared to concede that it got a first-class burial, but a burial it was nonetheless — then my Group really wonders what we can get done at all in this Community, because the report's recommendations really amounted to a bare minimum.

Secondly, I should like to associate myself with those who, on behalf of their groups, deplored the fact that Mr Werner did not feel able to make his statement here in person. Both the Dutch and the international press have reported that his successor, my compatriot and colleague Mr Van Agt, has said he is prepared to come here to Parliament. My Group will be expecting him to abide by that statement and appear before this House twice over the next six months. It is, to our mind, incredible that there should be no agreement in the European Council on a matter like this. In our opinion, this amounts to disregard and disrespect for the directly-elected European Parliament. We believe that rather than seeing it as a duty all ministers should feel the need to appear before a Parliament which can rightly claim to have been elected by the peoples of Europe.

When we discussed the thirteenth Annual Report of the Commission, I made a number of comments on institutional matters. We were not always happy with the policy pursued by the Jenkins Commission. We had the impression that important political opportunities to strengthen our own position and hence relations between Parliament and the Commission were being wasted. I shall not go into that now, Mr President; there is, after all, no point in going over old ground again. I just think it a pity that that great federalist, Mr Jenkins — and it is still a source of pleasure to me that I was there when he received the Schuman Prize in Bonn a few years ago — has not been able, partly because of the prevailing political climate, to give the Commission more of a political dimension.

Allow me to say in conclusion that nothing much will happen as regards the institutional problem if we just sit back and wait. We have had long discussions on this point within our Group, and I trust that, over the last eighteen months, this directly-elected Parliament has learnt its lesson and is now prepared to take the initiative itself in institutional matters. To borrow a bit of aviation jargon: we are now running into a little institutional turbulence and I would ask the gentlemen of the new Commission — ladies being unfortunately once again conspicuous by their absence — gentlemen of the Commission, gentlemen of the European Council and gentlemen of the Council of Ministers to fasten your seatbelts, because Parliament intends to uphold the declaration made by the governments at the last summit conference in 1974, which expressed their readiness to concede certain legislative powers to the European Parliament. We intend to take action in this field, and I am glad to say the same feeling is to be found in others groups with which we are allied. In January, we shall be presenting the Thorn Commission with an outline programme in the hope that Mr Thorn will be able to discuss it with his new colleagues. Then, in February, we shall be submitting a document on ways of improving relations between this House and the Commission. We Christian Democrats do not want to see a crisis develop in relations between our institutions. On the contrary, we are ready to make improvements within the terms of the existing Treaties. It is high time we got down to tackling the democratization of the Community, and we shall endeavour to get this process completed by 1984. The democratization of the Community is, in my opinion and in the opinion of my Group, this House's major task. We shall need the support of our colleagues in this Parliament and in the national parliaments and of the national governments, but my Group is counting first and foremost on getting the support of the Thorn Commission, the European Council and the Council of Ministers.

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

The House will rise.

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

IN THE CHAIR: MR PFLIMLIN

*Vice-President*

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

The next item is the continuation of the debate on the Council and Commission statements on the European

**President**

Council meeting in Luxembourg on 1 and 2 December 1980, the Council statement on the Luxembourg Presidency and four motions for resolutions on the situation in Poland.

I call Mr Israël.

**Mr Israël.** — (*F*) Mr President, I cannot speak if the President-in-Office of the Council is not here. I ask for the proceedings to be suspended.

**President.** — Mr Israël, the President-in-Office of the Council is occupied at the moment at a consultation meeting with Parliament.

I call Mr Israël.

**Mr Israël.** — I beg leave to speak, Mr President, to ask you to send for a representative of the Council of Ministers.

**President.** — I call Mr Paisley on a point of order.

**Mr Paisley.** — I too, Mr President, regret that there is no representative of the Council of Ministers or the Commission present. I think that as we are seeking to get some information both from the Commission and from the Council of Ministers, it is only right that some representative should be present.

*(Applause)*

**President.** — I call Mr Scott-Hopkins on a point of order.

**Mr Scott-Hopkins.** — Mr President, I quite appreciate what you said concerning the President-in-Office of the Council being in consultation with Parliament. It is Mr Santer who is, in point of fact, in consultation with Parliament, not Mrs Flesch. I think it is unfortunate that she is not here. What is even worse is that there is nobody from the Commission. They are not in consultation, except for Commissioner Tugendhat. Other Commissioners are not in consultation with Parliament, and I think it would really be a little awkward if we were to continue until somebody came in.

*(Applause)*

The difficulty, I know, Mr President, is that time runs out at seven o'clock and we have not even started on the debate on the motor vehicle industry. That I understand. But nevertheless, in the circumstances, I must ask you to suspend the sitting until somebody does turn up from either the Commission or the Council.

**President.** — The House will rise.

*(The sitting was suspended at 3.05 p.m. and resumed at 3.15 p.m.)*

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

I call Mr Israël.

**Mr Israël.** — (*F*) Mr President, I would like to thank Miss Colette Flesch for being with us today. The Middle East conflict, or to be more accurate, the war between Israël and certain Arab States, has received particular attention during the Luxembourg Presidency. The Declaration of Venice, made under the Luxembourg Presidency is astonishing. We can be in no doubt as to what the Council is demanding of Israël. The words are quite plain: evacuation of the territory, and the right of the Palestinians to autonomy. On the other hand, it is not clear what the Council is asking of the Arab countries, who, with the exception of Egypt, have not recognized the State of Israël. Are they being asked to accept the idea that a Jewish state can exist, freely and independently, in the Middle East? That is not clear, and if this is really what the Council is trying to say, it must be stated, affirmed, and proclaimed in a declaration in the near future.

But the most serious thing, Mr President, ladies and gentlemen, is that this declaration does not give a clear indication that the PLO, whose participation in negotiations is highly desirable, must recognize the State of Israel as legitimate. The Declaration of Venice is half-blind; it shuts one eye and refuses to see an essential part of the conflict: the refusal of certain Arab parties to recognize Israel. Future initiatives give all the more cause for alarm in that the Declaration of Venice is unbalanced. Of course, it is not on Europe's initiative that a conference will be proposed. Of course, no one is saying that the Camp David agreements are inadequate, but we are looking at our new prospects with a cyclopean eye. This approach is unwise. Of course, negotiations with the two sides will continue, but the real problems are not being tackled. Mr Arafat should be made to say whether one day he does intend to live side by side with the State of Israel as it is, that is a Jewish state. And if the PLO denies Israel the right to exist, let them say so, and let us not delude ourselves that a change will take place thanks to Europe's goodwill. Let us hope, Mr President, Madam President of the Council, that the Dutch Presidency will take strong measures to rackle a problem which is essential to the future of Europe.

**President.** — I call Mr Paisley.

**Mr Paisley.** — Mr President, many important happenings have taken place over the last six months



**Paisley**

during the Luxembourg Presidency. To us in Northern Ireland the most tragic has been the continuing slaughter of our people by the Provisional IRA terrorists. To some this may appear a sad fact, but nevertheless no direct concern of this House. Let me say, however, that this Community is directly involved in one crucial way in this tragedy, that is in the matter of extradition.

At the moment that I speak, many of the perpetrators of dark deeds of blood are finding absolute sanctuary in another Member State of this Community, namely the Irish Republic. That sanctuary is possible because the Irish Republic refuses to extradite these murderers back to the United Kingdom for trial. Let it be emphasized that the United Kingdom, and especially Northern Ireland, has always extradited those wanted by the Irish Republic for crimes committed there. This lack of extradition, with all its horrific consequences for my people in Northern Ireland, is something which should deeply alarm and concern the whole Community.

I want therefore to ask the President-in-Office what attention has been given to this issue during her term of office and what meaningful attempts have been made to secure extradition throughout the EEC, and with what effect.

We in Northern Ireland have had lots of sympathy, lots of promises of action and sham substitutes for action, but we have had no meaningful steps from the Irish Republic to act in a civilized and good-neighbourly manner towards Northern Ireland as part of the United Kingdom in this all-important matter.

In County Fermanagh alone, Mr President, there are now over 40 widows whose husbands have been brutally murdered by the Irish Republican Army. These murderers are known both to the Royal Ulster Constabulary and to the Republic's Gardai. They are known to be in the Irish Republic, yet nothing can be done to bring them to justice! I have been in County Fermanagh on many occasions. Protestant families have to barricade themselves in each evening and keep loaded guns by their bedsides, knowing that at any time they can be attacked from across the border. The absence of proper extradition is an indictment not only of the Member State involved, but of the entire EEC Community.

For the Community to permit such an outrageous system to continue is reprehensible. I am saddened indeed that during the current Presidency I can detect no results of a realistic attempt having been made to deal with this most important issue.

The matter of employment is another vital matter. The United Kingdom has 30 % of its textile industry in Northern Ireland. In Northern Ireland at the present time we have the highest unemployment in the whole Community at 15.9 % — over 90 000 unemployed.

Imports of US polyester and carpet yarns have seriously undermined the textile industry. Failure of the Nine to act together on this issue has been most distressing. The United Kingdom Government was forced to act unilaterally on this issue, but now under EEC rules has to give up its ban on these imports, resulting in a very serious position for the textile industry in the whole of the United Kingdom and especially in Northern Ireland.

I would ask the President-in-Office and the Commission what steps they are going to take to safeguard the textile industry, especially in Northern Ireland.

**President.** — I call Mr Ruffolo.

**Mr Ruffolo.** — (*I*) Mr President I would like to say how gratifying it was to hear Mr Jenkins' strongly-worded speech, and say to Mrs Flesch how much I appreciated her forthright and open manner, and I should also like to tell her that I appreciate the difficulties she will have in her role as President of such a difficult body. And then I would like Mrs Flesch to understand if I make use of that same critical candour which she herself described as 'the spice of democracy'. We in this House have become accustomed to offering other peppery criticism, criticism which is moreover directed not at yourself nor even, in the last analysis, at the Council of Ministers, but rather at that other, distant supreme authority from which the Council of Ministers, like Moses coming down the mountain, returns to us bearing news of their will, and the only way in which we differ from those children of Israel is that we already know about it from the newspapers. Before I refer briefly to one or two unfortunate aspects of the European Council meeting, I would like to fulfil one obligation, to you. I would like, as an Italian citizen and a representative of the Mezzogiorno, to express my gratitude for the solidarity shown by the governments of the Community at the most recent meeting of the European Council after the catastrophe which struck two regions in the Mezzogiorno. And as a member of this Assembly I would like to add a few reflections on the aims and the nature of the measures promoted by the European Council. I think that the aims ought to be related to the damage caused and therefore that the more precisely that damage is estimated the more wide-ranging the Community actions for aid and reconstruction should be, since the actions approved so far represent perhaps 2.3 % of the damage ascertained so far.

However, Mr President, the earthquake which shook the very poorest areas of our Mezzogiorno should, I think, attract our attention and the attention of the Community not only to the tragedy itself but to the problem which represents the greatest weakness in our Community itself, and that is the problem of reducing the gap between rich regions and poor ones. Neither the words we hear nor the deeds we see can give us

**Ruffolo**

any cause for comfort: the facts are that the gap is widening rather than narrowing and what we hear from the Council, Madam President, is a serious disappointment to us. The economic situation casts a long shadow before us; we have the great problems of unemployment, of energy and of industrial reconversion, and the European Council sends us — and sends by a third party — a weak, trivial message which shows no evidence that they either understand the breadth of the problem nor have the will to tackle it with clear-cut policies, adequate resources and coherent efforts. And from this point of view the decision to defer to better times the second phase of the European Monetary System, on which the European Council on several occasions gambled its own credibility, is particularly disappointing. Such a decision is the fruit not of their wisdom but of their inability: inability to guarantee the economic convergence in precise development objectives which is a prerequisite of economic integration; inability to guarantee, by establishing a European Monetary Fund, that solidarity which is a prerequisite of monetary integration, which would otherwise be exposed to external pressures and internal tensions which threaten, sooner or later, to shatter it — as it is vulnerable at present within its fragile exchange agreements.

This is the umpteenth time that the European Council has failed, Mr President, and there is one conclusion that we can reach. My colleagues who spoke before me — Mr Glinne, Mr Estier, Mrs Van den Heuvel — have already referred to it: the European Council must show itself in this chamber, and it must not just be for a friendly chat. The Council must be prepared to discuss with this democratically-elected Assembly the agenda and the proceedings of its meetings, without waiting for us to be told the outcome by the daily press. And we must establish — establish in unambiguous terms, in terms which do not have their current frustrations — the source of political responsibilities in the Community and that of its democratic control, and we must establish the relationship which must exist between the two.

*(Applause from the Socialist Group)*

**President.** — I call Mr Antoniozzi.

**Mr Antoniozzi.** — *(I)* Mr President, ladies and gentlemen, today's debate should I think be limited to the shortest possible time which might then provide a rather roundabout incentive to incisive speaking.

The European Council in Luxembourg coincides with the end of this political half year, and a brief comment on both will give a summary of the situation as it stands at present. I too offer my compliments to Mr Thorn and to the President of the Council, whose words I have been listening to like those of an old friend. You will forgive me Madam President, for what I am going

to say, but in today's debate we must not be afraid of personalities. I share the previous speaker's views on the need for the European Council's representatives to inform this Assembly immediately and at first hand straight after its meetings; indeed the Political Affairs Committee only last week approved unanimously an agenda which specifically asks for such meetings with the representatives of the European Council.

It has to be said straight away that there is an urgent need for a precise legal place to be allotted to the European Council within our institutional framework. As rapporteur I shall myself be putting to the Political Affairs Committee a proposal which attempts to define this position, a need we must meet if we are to avoid the risks of dangerous confusion or insufficient definition of authority and responsibility, in particular as regards relations between the institutions and the function of the Council of Ministers and of the other Community bodies.

The document we have received from the European Council undoubtedly contains more proposals and political guidelines than usual, and as such the first impression it gives is one of greater Community awareness amongst European leaders. But a reading of the arrangements set out in the document raises many questions and frequently becomes confusing. What we do not want is yet another round of theorizing without any follow up. That is in fact so much the case that the European Council saw fit to include in the document itself a preamble which is interesting from the political point of view but which is — perhaps necessarily — obscure. As I have frequently said with reference to the preambles to the three treaties — ECSC, Euratom and EEC — I would not like to see this preamble have the effect of rose-tinted spectacles. You will forgive me for being blunt, but cosmetics are sometimes over-used in disguising an unpleasant reality. I ought perhaps to remind you though that a cynic has also said that as the years go by even cosmetics lose their effectiveness. From now on words alone will not be enough amidst all the speeches and good intentions published by the various Councils of Ministers. It is time, ladies and gentlemen, for truthfulness and for serious, conclusive political duties.

With the exception of this interesting statement of intent the European Council's document is weak and riddled with conflict. As regards the Italian earthquake it talks of exceptional aid, but such aid is not reflected in the decisions which have been taken. In connection with employment the document talks of coordination, but no clear, precise provisions are made except for a decision to be reached later at an *ad hoc* Council meeting. On energy the only real meat is a reference to direct ways of reducing our dependence on oil; nothing more. As regards the EMS, the appraisal of future economic trends is positive but concludes 'continued strengthening of the European Monetary System will make it possible in due course to make the

**Antoniozzi**

transition to the institutional phase of the system'. Ladies and gentlemen, this is not enough. When will 'due course' be? It does not say. This statement is in direct conflict with earlier plans relating to the EMS.

I would like to remind you that it is through monetary problems and the fight against inflation that a decisive step could be taken towards European union. The reliability of a single European currency would allow us better control over the situation we have at present, as well as enabling us to reach a single inflation rate through that unity: the EUA would have both more prestige and more power than any single currency.

The document talks of research, innovation and new ideas in sectoral policy. How will this be brought about? The same document said almost explicitly that there has been no change in the financial resources and no effective change as regards Community resources. Ladies and gentlemen, as many who have spoken before me have already said, the key to this problem is the question of institutional problems. If we wish to make faster progress along the road to a united Europe we must strengthen the institutions so that we can move on from the stage of national priorities to that of Community priorities. This is an idea which has not yet been sufficiently clarified either in the European Council or in the Council of Ministers.

Mrs Flesch, we would wish for you to remain as President of the Council, for we are sure that you will do the job well. Once again with this document we see the traditional game of criticism by proposed amendments and institutional equalization. The Tindemans Report with its many proposals is forgotten; other important specialist committee work is overlooked and the Report of the Three Wise Men is commended for its wealth of ideas and suggestions.

It had been our hope that this document would produce clear ideas, rather than referring questions back for further or later examination. We would have preferred hearing the Foreign Ministers' own words on what they think of this major institutional problem. The document does on the other hand seem to be favourable towards the task of bringing about international political cooperation on a number of questions relating to specific areas: Poland, the Middle East, the Madrid Conference, the United Nations, although observations are conspicuously absent on one important question of international policy, the North-South Dialogue.

Ladies and gentlemen, this year is drawing to a close with the budget still obscure and full of unresolved problems, together with new, tragic events which threaten further difficulties. If, as the European Council wrote in its preamble, we really want the unity of Europe to be strengthened, we must start new initiatives, and they will depend largely on us.

Our chronicles, ladies and gentlemen, have been enriched recently with a strange new bestiary. We have heard talk of government snails, economic snakes and political crocodiles. My belief is that we should not beating around the bush of external problems without doing anything about them. Mr Jenkins has already said, and said with the experience which we all acknowledge, and with all the work which his Commission has done for Europe, that it is in this Assembly, with the political power granted to it by the people of Europe, that the strength and the ability to fulfil its mandate will be found, through political initiatives which are sufficient to the task of making progress in Europe. If we do not do that, we shall fail in our duty.

**President.** — I call Mr Fischbach.

**Mr Fischbach.** — (*F*) Mr President, ladies and gentlemen, as we now come to review the last six months of the Council's work, as far as foreign policy goes, the Luxembourg President's mission to the Middle East, assigned to him by the European Council at Venice was, if not his most important, at least his most delicate job.

However despite the total commitment and dedication shown by the President-in-Office of the Council, Mr Gaston Thorn, it is very difficult for my Group to share the satisfaction expressed by the European Council in Luxembourg at the outcome of this mission. The report on the mission, produced after joint deliberation by the Ministers of Foreign Affairs, while it does look at the principle problems with a view to the overall solution in the Middle East, it nevertheless does not have the confidence to urge the European Council towards a real initiative right now. This led to the decision taken on 2 December in Luxembourg to continue the mission that had been begun, to look into the different possible solutions, and to carry through some of the principles of the Declaration of Venice.

Of course, the decision of the Nine Member States to accept their own responsibilities as well, in a part of the world which is particularly important to them, both because of traditional links and because of the common interests uniting Europe to the Middle East, their determination to work for peace even outside Europe, encompassing the Middle East in the sphere of activity of its common foreign policy, must stem from a fundamental necessity to reinforce the unity of the Community, at a time when it could all too easily be divided by major clashes of interest, precisely like the Middle East problem.

Of course, if any steps forward are to be taken on the road to European union, we must inevitably come to the realization, a realization which is deep not just

## Fischbach

because of what has gone before, of the need for consolidation within the Community, but we must also develop a stronger foreign policy, one which is coherent, and whose aims are clear, be it in the Community's relations with the US, within the framework of the North-South Dialogue, within the context of a common security policy, or within the context of the Middle East, as Mr Tindemans has pointed out already in his report on European union.

But it is not enough for the Community to define the concept of a common foreign policy, this policy must be convincing, that is it must stem from good sense, and, under the circumstances, from the realism necessary to achieve success. If, as Georges Bideau said, diplomacy is dialogue, the Community, by choosing diplomacy as a means of obtaining peace in the Middle East, owes it to itself above all to create the premises which are indispensable if real dialogue is to take place between all the parties involved.

Our aims are all the more ambitious in that one of the interlocutors whom the European Council intends to participate in the peace negotiations, has not only formally refused dialogue with the Israeli authorities and to recognize the state of Israel, but is still resolute in its wish to see the disappearance, if not the annihilation of Israel. As a result, the attitude of the Israeli authorities, which is to categorically reject any proposal which would include the PLO as one of the interlocutors of the Palestinian people in any peace negotiations in the Middle East is, under the circumstances, very understandable.

To convince, first of all, the Palestine Liberation Organization that in the interests of their cause, in the interests of the Palestinian people, it has no other choice than to abandon its extremist position once and for all, and to recognize the right to exist, and to security of the State of Israel: to make the Israeli authorities then understand that by persisting in their policy of *faits accomplis*, either on Palestinian territory or in Jerusalem, they cannot serve the interests of their people nor the cause of the State of Israel, surely that is the challenge taken up by the Nine at Venice? A challenge which — I would almost say — the Community must now see through if we are finally going to see real chances of lasting peace in the Middle East on the horizon.

*(Applause from the centre)*

**President.** — I call Mr Giavazzi.

**Mr Giavazzi.** — (*I*) Mr President, I shall make a few brief remarks on the economic aspects of the final resolutions of the European Council. That does not mean that I am less interested in the general problems, nor that I wish to omit anything, but only that I want to clarify the subject allocated to me by my Group.

The economic analysis made by the European Council is, as always, accurate and complete on the main questions. But, as is often the case, it is one thing to analyze, take note, and propose solutions, which may even be clearly defined and opportune; it is quite another to succeed in creating sufficiently broad and effective means of intervention to deal with by the situation. And it is above all in this second basic respect that the declarations of the recent European Council on the economic and financial situation call for some reflection and comment, however brief, since the detailed analysis is certainly not matched by equally effective proposals either for action or — even less — for planning.

First and foremost, it must be pointed out that an overall policy cannot be implemented without a corresponding social and economic policy. Thus, from the rightly stressed need for the cohesion of Europe to be strengthened and its voice to be heard in the midst of the concern aroused by the development of the international situation, there follows the need for that cohesion to be achieved also, and in some respects above all, in the social and economic field if we really want Europe to be able to face the difficult current situation with a greater chance of success.

In that context, we must note with satisfaction — but above all while eagerly awaiting the implementation of effective measures — the proposal to hold a special session of the Council, involving the Ministers of Economic Affairs, Finance and Social Affairs which, after consulting the social partners, would tackle the problem of employment, on which the Committee on Economic and Monetary Affairs is presenting a report.

The second important aspect is that of competitiveness. This morning Mr Jenkins rightly stressed this as essential for the future of Europe. If Europe stands still and fails to exploit the new technologies with the necessary speed, we shall merely be marking time in this field also.

Third and last aspect is the financial one. The communiqué gives a predictably, satisfied assessment of the operation of the EMS. But then, as has already been pointed out, it is intended to move on to the second institutional stage at the opportune moment. It is time to realize that, although it is true that there are real technical difficulties and understandable legal difficulties, it is desirable to move on to this second stage when appropriate, but with political sensitivity rather than with a cautiousness at which one cannot but be concerned. We have already stressed this many times here. It is therefore absolutely necessary to stress very firmly that a real political will is required on this point. Only political will will enable us to overcome the technical difficulties, and only by overcoming them can this essential European policy be given the full scope for action which it requires and without which even its present operation is threatened.

**Giavazzi**

These three points appear to be the most significant in economic and financial terms, and it was to them that I wished to call the attention of Parliament.

**President.** — I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** — (D) Mr President, I should like to inform the House first of all that Mr Jenkins sends his apologies for not being able to attend as he is chairing a meeting of the Commission.

I should like to make a few comments on that part of the debate which dealt with Poland. In connection with deliveries of food — and also in the motions for resolutions — special prominence was given to the need to establish medium and longer-term economic relations. I should like to say here — and this is a general point — that we are proceeding on the basis of the needs of Poland as communicated to us by the Poles.

We are trying to respond as appropriate, bearing in mind our own resources and facilities. That was the line we took in making our offer of food supplies, and the Poles have accepted our offer as regards both the products and the amounts and prices. They have been informed of the decision taken yesterday by the Council of Ministers, and I can tell you that the first invitation to tender for the supply of 10 000 tonnes of butter was published in today's Official Journal. As a result, some of the goods will arrive in Poland before Christmas. The decisions needed for other products to be supplied to Poland will definitely be taken before the end of this year. We are making use here of the facilities and instruments available under the terms of the common agricultural policy. We are also making use of the combined efforts of the Community and of the Member States. A number of speakers in the debate demanded that there should be no monopoly and that steps should be taken to ensure that the supplies actually reach their destination, without any third parties making a killing.

What we are talking about here are deliveries which are being made on special conditions, making exceptional use of public funds — in other words taxpayers' money — both from the Community budget and from the Member States. These special circumstances make it incumbent upon us to take special care in carrying out this operation.

**President.** — I call Mrs Flesch.

**Mrs Flesch, President-in-Office of the Council.** — (F) Mr President, ladies and gentlemen, allow me first of all to thank Parliament for the warm welcome it has given me here and the kind words all the speakers have addressed to me.

As regards the observations made, I have tried to group them together under a number of headings and, with your permission, I shall tackle first of all the question of relations between on the one hand Parliament and the Council and on the other Parliament and the European Council.

As regards relations between Parliament and the Council, I agree with very many speakers that efforts will have to be made, particularly on the part of the Council.

It is my view, however — and I say this quite frankly — that these efforts cannot be one-sided and that this must be a two-way process. And I should like to say to Mr Estier, who referred to the meeting of the Political Affairs Committee on 3 December, that I was a little surprised at what he said. I suppose the difficulties can be put down to the fact that we in Luxembourg had a change in the Foreign Affairs portfolio. Actually, however, I was only told about this meeting three or four days before; at that time I already had commitments for a ceremony marking the signature of the "pre-accession" aid to Portugal and for presiding over a Benelux ministerial committee. In addition my colleague, the Secretary of State for Foreign Affairs, was on a trip to China. I brought all these facts to the attention of Parliament's officials and asked them to understand that in this particular case it was in fact very difficult to improvise, because of the short notice given. The conclusion I draw from this isolated instance, which I mention solely by way of example, is that we should try to coordinate our respective programmes rather better and to show the necessary comprehension towards one another when there are really imperative reasons for being unable to attend.

As regards the European Council, Mr President, a number of speakers raised various aspects of either the functioning of the European Council itself or relations between this Parliament and the European Council.

Firstly, I should like to put to you two considerations of a more general nature. The first concerns the nature of the European Council itself. At the time, the founders of the European Council took up an idea worked out at an earlier stage, in particular by President Pompidou and Chancellor Brandt, for arranging informal meetings of Heads of State and of Government or, as President Pompidou put it at the time, "fireside" meetings.

Mr de Lipkowski, who had quite a lot to say about the results — or lack of results — of the European Councils, no doubt remembers the context in which these Councils were initiated and the intention behind their creation, since at the time he had an important position in the French Government. It is painfully obvious that such meetings must be highly confidential; when some of you ask me why something was not discussed, I am tempted to reply "Are you absolutely sure it was not discussed?" Indeed, the communiqué never

## Flesch

reflects every detail or every aspect of what was covered by the discussions in the European Council, the prime feature of which — and as a newcomer I would add that this is what has struck me most — is the informal atmosphere of these discussions; this also allows the various participants to adopt an outspoken tone which is, I think, an advantage in discussions like this but does not always lend itself to being expressed in the language of a communiqué. Furthermore, as you know, at a European Summit there are two separate meetings, that of the Heads of State and of Government and that of the Foreign Ministers, and their discussions do not always necessarily cover the same subjects. A question may therefore be raised in one circle and not in the other, or vice versa. I sincerely believe, Mr President, that without this confidential element we would lose at least part of the benefit arising from the meetings of the European Council, so that these meetings would become very difficult or even impossible to arrange.

My second point is this: the European Council is not in itself a Community institution. I would ask those of you who have displayed particular concern for developing and strengthening our institutions whether, in the last analysis, it is desirable for the European Council to act as an institution, in view of its very restricted composition, its particular methods of work and the importance which the national element inevitably takes on when it is expressed by the highest political authorities in our countries. This is a question I put to you. My own mind is not yet made up, but I would stress that the European Council does not negotiate, it is not responsible for the day-to-day management of Community affairs. Having put the question, Mr President, I would venture to suggest that I don't think I want the European Council to come to replace the Council as we know it, with the balance laid down in the Treaties, or the Commission.

These two questions have too many implications for the very nature of the Community and are at the same time too complex to be dealt with here in the context of a general debate. However, we should perhaps give them some thought one day, and perhaps we will be able to undertake this together. It is not in the nature of the European Council to endeavour to reach unanimous conclusions on every aspect of every question. The time available would in any case be inadequate, and moreover the complexity of the dossiers means it is not even desirable.

The consequence of this state of affairs is that the conclusions published by the European Council are firstly in many cases fairly general, if not vague, and secondly are often confined to decisions on matters of procedure rather than of principle. Should the Heads of State and of Government be criticized for not pursuing their discussions until agreement is reached on the last detail? Here again, the question could be asked as to what the Foreign Affairs Council or the General Affairs Council would make of it in the circumstances.

In reply to Mr Estier, I would say that the fact of not referring more often to the European Parliament is probably not, on the part of the European Council, a mark of negligence or disdain; the European Council's view is that it is not for it to give Parliament orders, or even to make recommendations.

I would add, moreover, that the Foreign Affairs Council — in other words the Council provided for in the Treaty — has at each meeting a point on its agenda devoted to the resolutions adopted by the European Parliament and that it is standard practice for the President to draw the Council's attention more particularly to the important resolutions and especially, of course, to those which require the Council to discuss a particular question and adopt a position on it. Personally, Mr President, I still maintain that we clearly need to reinforce our institutional system and that the best way of doing so is probably to avoid over-complicating it.

In connection with institutional question, I recall that a number of speakers, and in particular Mr Glinne and Mr Coppieters, talked about the seat or places of work of our institutions and of Parliament. As you know, Mr President — and I say this in reply to Mr Glinne — following a French initiative of 15 September 1980, which was in fact the point of reference for the resolution adopted by Parliament on 20 November, a conference has been convened between the governments of the Member States to discuss the seat and its next meeting is planned for the beginning of January. As yet, this conference has not got down to the root of the problem, but the fact that it has been convened is in itself an affirmation of the fact that responsibility for the seat lies with the ten governments and that it is up to these ten governments, when the time comes, to take the appropriate decisions. If certain Member States — and in particular three of them — take a more active part in discussing the problem or are consulted more frequently when a practical solution begins to emerge, I do not think anyone should be surprised; the contrary would be more surprising. This being so, I can assure you that the Member States are resolved, having regard in particular to the resolution passed by Parliament, to give this question their active attention and that they consider that no one can take the place of the Member States in exercising their joint responsibilities.

A number of questions have been asked on the report of the Three Wise Men and the various questions arising in this connection. I am thinking in particular of the speeches by Mrs van der Heuvel, Mr Coppieters and Mr De Ridder. There are three separate elements in the action taken as a result of the report of the Three Wise Men. Firstly, there are a number of points on which the Foreign Ministers not only reached agreement quickly but have, at least in part, decided to put the proposals into effect. This goes for a large number of suggestions of a relatively practical kind springing from the common sense, pragmatism and

## Flesch

clear-sightedness of the report's authors. These have not been talked about very much because in a sense it went without saying.

Secondly, there are a number of questions which have involved real discussion at Foreign Minister level. Discussions at that level were concluded in September and the European Council was provided with the report it had requested. Time is too short for me to itemize here this whole series of discussions, especially since it has been decided that this report will be made available to Parliament, and this should be done in the next few days.

Thirdly — and these are the most interesting questions, the ones which were raised this morning — there is a series of questions which have been brought before the European Council.

First of all, there is the question of the number of members in the Commission. I would reply here to Mrs van der Heuvel that the European Council's view was that in present circumstances the status quo would be maintained as regards the number of members in the Commission and — as she mentioned — the question would be re-examined on the accession of Spain and Portugal. I can thus confirm what she told us this morning. The second question is that of admitting people other than the Heads of State and of Government or the Foreign Ministers to the deliberations of the European Council. On this point, the European Council gave a qualified answer. Indeed, the Council is free to seek the participation of personalities whose assistance it wants at a particular moment. In the past this has been the case for the representatives of the Committee of Central Bank Governors, and this was the case at the Luxembourg Summit, where the Council considered that in the context of discussions on the Middle East the presence of Mr Thorn was desirable. On the other hand, the European Council was opposed to the idea of other people, officials or experts, attending the meeting all the time, on a regular basis.

Another question concerned the possibility of a dossier being entrusted by the President of the European Council to another member of the Council. This is regarded as a possibility, as I suggested this morning. Nothing more precise has been said on the matter.

Finally, the essential point is, that of the attendance of the President of the European Council at sessions of this House.

In accordance with the conclusions reached by the Council, I can only repeat what I said this morning. There was no consensus in the European Council on modifying current procedures. However — and this is no doubt the point made in Mr van der Klaauw's statement to the Netherlands Parliament yesterday evening — the question remains open. The European Council's final attitude will thus depend on the contin-

uing discussions at Foreign Minister level and, I would add, on discussions in the context of the small steps or not-so-small steps we are capable of taking and of the overall perspective in which the various Community institutions tackle this problem. Personally, Mr President, I would say that I have not given up hope on this question.

Mrs van den Heuvel asked me what decision lay behind the present procedures for the report presented by the Foreign Minister of the country holding the Presidency informing Parliament of the results of the European Council. This, Mr President, was a decision by the European Council taken in Dublin in 1975 — a decision which, I must add, was not published, which it is perhaps why it is not generally known.

As regards the discussion in the European Council on energy problems, I would point out, as far as alternative energy sources are concerned and in reply to Mrs van den Heuvel's question, that the individual Heads of Government have not adopted any specific option for resorting to this or that source of energy. As we all know, the situation differs from country to country. There are different attitudes and each country will endeavour to achieve the objectives by the means it regards as most appropriate. This difference in attitudes was apparent in the discussions held by the European Council.

Just a word, Mr President, on the joint 'Economy, Finance and Social Affairs' Council. This did indeed come up at the European Council, when particular emphasis was laid — and I think this fits in with the concern expressed here in this House this morning — on the fact that if we want this method to achieve something worthwhile, this meeting must be very carefully prepared so that the problems are then dealt with in a truly constructive spirit.

As for the gravity of the economic situation, one of this morning's speakers expressed regret that all that had been done was to stress that it had not been possible to define means of resolving this or that problem. It is my view, Mr President — and this is my personal interpretation — that when, on 1 and 2 December, the Heads of State and Government emphasized the gravity of the economic situation and the less than rosy prospects for the immediate future, their aim was to warn the public about the situation we are in. The crisis affecting us at the moment in most countries differs from that of the 'thirties in that private individuals, ordinary people, everyone for his own part, probably feels the effects less sharply than was the case in the 'thirties because, in all our countries, we have set up certain machinery which, more or less effectively, protects the citizen. We should not allow this protective machinery to give us a false sense of security, and I think this is what the Heads of State and of Government meant when they stressed the gravity of the situation.

## Flesch

As regards the second stage of the European Monetary System, I would simply point out that the Heads of State and of Government underlined how much this system is already contributing to monetary stability. I think that here, as elsewhere, everyone is conscious of the difficulties, and that is what led the Heads of State and of Government to say that we will move on to the next stage when the time comes.

And now, Mr President, with regard to the social measures for the steel industry — this is addressed in particular to Mr Glinne and Mr Coppieters who raised this problem — I think there are two considerations we must not lose sight of. Firstly, the budgetary aspect I mentioned before. From the Member States' point of view, the social measures in many cases mean additional finance apart from what has already been allocated at national level. Secondly, there is the sectoral aspect, which constitutes a real problem for certain delegations. In the absence of an overall financial programme for unemployment in general, certain Member States, including those with the highest levels of unemployment, are very reluctant to set aside additional financial resources for workers in a specific sector, despite the provisions of the Treaty of Paris.

A third point, Mr President, is that this question raises a number of legal, almost institutional problems which also make certain delegations reluctant to commit themselves. I omitted to say this morning that this is an important factor.

As regards fisheries, it was Mr Nyborg who mentioned this problem and regretted that it had not been possible to do more in this field. I should simply like to inform Parliament that the Council meeting responsible for finding solutions here continued late into the night yesterday and came to an end at lunch-time today without, unfortunately, achieving anything. The will was there, however, and there were moments when a solution seemed to be very near.

On the Middle East, Mr President, which was mentioned by a large number of speakers, the question was raised of communicating the report on the Middle East to Parliament's Political Affairs Committee.

I should like to remind you in this context that relations between Parliament and the system of political cooperation have taken shape in accordance with formulae representing a compromise between Parliament's desire — its legitimate desire — to be informed and to have its say on all questions and that of the governments not to have their freedom of diplomatic action interfered with too much. The fact is that one of the pre-conditions for this freedom of action is often confidentiality. Up to now, therefore, the governments have refused to go any further than communicating information to the Political Affairs Committee orally, on a confidential basis. I would remind you that Mr Thorn met this Committee on two occasions, in September and in November, to inform it

about his Middle East mission. It will be no news to Mrs von den Heuvel, who asked the question, if I say that I too wonder about the possibility of keeping a secret in this organization. This is a problem which has been raised on many occasions and which is indeed connected with the very nature of our institutions and the fact that documents, even confidential ones, have to be translated and distributed very widely.

In any case, I think it is difficult to transpose national procedures to the European Parliament. I know, for example, that it is normal practice in the Netherlands for the Minister to keep Parliament's Foreign Affairs Committee regularly informed on all subjects, even the most confidential ones. This is not the rule in all Member States, and herein lies one of the difficulties in finding a uniform rule for a multinational body. As to the supposed mistrust of the Netherlands Foreign Minister, Mr van der Klaauw, I think this is refuted by the very terms of the European Council declaration, which entrusts the continuation of these contacts precisely to the Netherlands Presidency, which means in the first instance to the Foreign Minister. It is perfectly normal for this to be carried out in consultation with his colleagues, since the Community's activities in the Middle East are a joint undertaking, and that is precisely the way we wanted it to be.

As to the remarks made in particular by Mr Galland, Mr Romualdi, Mr Israël and others, I can but draw their attention to the fact that the Commission has always adopted positions which it considers to be objective and that an essential element has always been the confirmation of Israel's right to existence within secure and recognized frontiers. On the other hand, the Community has not thought it helpful to impose prior conditions on the PLO before having talks with that organization. This in no way constitutes a judgement on the aims and methods of the PLO but is simply the recognition of a *de facto* situation.

As regards Poland, Mr President, basically I have nothing to add to what has been said by the European Council and more recently in a different forum — i.e. the NATO Council — where the solidarity shown by the Nine and the Atlantic Allies was in my view remarkable, both in terms of their determination and with regard to their analysis of the situation and the approach they intended to adopt.

The supreme organs of the Community have repeatedly stated that the Polish people, like all other peoples, has the right to decide freely on its future without external intervention of any kind.

If there were nonetheless to be such intervention, it would without any doubt whatever have extremely grave consequences for Europe and the world. We cannot put it more clearly than that.

I note with satisfaction, Mr President, that even Mr Wurtz is vigorously defending the right of the Polish



## Flesch

people to decide freely on its own destiny. The European Council thought it worthwhile to state this, and I do not see how that can constitute interference in Poland's internal affairs. If I may say so, Mr President, if ever the chilly blast of the Cold War has been felt in this House, then I think it is Mr Wurtz who let it loose this morning.

Lastly, with regard to the North-South Dialogue, Mr President, I should like to say that while there have indeed been difficulties among the Nine in the recent negotiations in New York there have also been difficulties between the Nine and the United States. This is one of the reasons for the latest difficulties we have had in these negotiations last week and this.

Why have there been differences among the Nine? In particular because we do not have a common policy in all sectors and therefore rely on *ad hoc* coordination case by case. The fact is that this coordination lacks a certain coherence which national policies have.

I should like to say, however — and I shall conclude on this note — that in the present case, according to the latest information I have, the difficulties are turning out to be less serious than we thought at the beginning of the week and the solidarity of the Nine will probably not be called into question, so that we will, I hope, manage to resolve the last remaining difficulties. That, in any case, is my earnest hope.

(Applause)

**President.** — The debate is closed.

The next item is the vote on four motions for resolutions on the situation in Poland.

I call Mr Fanti.

**Mr Fanti.** — (I) Mr President, there was a meeting among the various political groups today which resulted in the consolidation of the motions, and there is one motion which has been signed by the Socialist Group, the Group of the European People's Party, the Italian Communists and the Liberal Group and which brings together . . .

**President.** — That may be the case but the Chair has not been informed.

I call Mr Goppel.

**Mr Goppel.** — (D) We cannot take a decision. I should like to request that the sitting be suspended, so that we can clear up any misunderstandings. We shall try to contact Mr Klepsch or Mr Vergeer.

**President.** — I call Mr Estier.

**Mr Estier.** — (F) As Mr Fanti just said, there is a new element with the tabling of this motion. The fact is that there is now a single motion signed by a number of groups. To get the matter sorted out, I propose a brief suspension of proceedings so that we can then vote to some purpose.

**President.** — Thank you for your proposal, Mr Estier, but I think the simplest course is to put this joint motion to the vote first of all.

I call Mr Fergusson.

**Mr Fergusson.** — Mr President, there are amendments down to this resolution. Surely they must be taken first.

**President.** — I call Mr Arndt.

**Mr Arndt.** — (D) I am somewhat taken aback, Mr President. I have the agenda for today's sitting in front of me. I see here that a vote on the motions is scheduled for today . . .

(Applause)

I assume therefore that we shall reach a decision on these motions as usual at the next voting time. This is the reason why Mr Klepsch is not here. He is no doubt under the impression that the vote is not now but at the next voting time.

**President.** — Mr Arndt, the document I have here in front of me indicates that Parliament decided yesterday that the vote on these motions for resolutions would take place today.

**Mr Arndt.** — (D) It is all the same to me what was decided yesterday. The document that settles the matter in my view is the one that was put on our desks this morning. This says that the vote on the urgency of the motions is scheduled for today. Item 272 is the statement by the Council and by the President-in-Office of the Council, with a debate to follow. Next comes Item 273 which is the Bonaccini report. There is nothing between 272 and 273 about voting on the motions. Parliament has to conclude that there can be no vote now. There is no mention anywhere about voting in the House this afternoon.

(Applause)

**President.** — I am sorry, Mr Arndt, but I am bound by the decision of Parliament which appears in the minutes of Monday's sitting and which was confirmed by a decision on Tuesday.

**Mr Arndt.** — (D) I think the simplest solution would be if I formally moved to have the vote on these motions deferred to the next voting time. The House can then decide.

(Applause)

**President.** — Agreed, Mr Arndt. Parliament is its own master and is of course at liberty to alter a decision. I myself cannot change it.

I call Mr Calvez.

**Mr Calvez.** — (F) For the sake of clarity, Mr President, it is worth pointing out that the Chair deferred discussion of these four motions this morning and announced that the vote would take place at the end of the debate on the Luxembourg Presidency. That is what was said this morning. I now bow to the decision of the House.

**President.** — I call Mr Fergusson.

**Mr Fergusson.** — Mr President, as has been pointed out already, there have been very considerable negotiations going on in the meantime. There has been the question of time and whether it has been possible to table amendments to this resolution. But the most important thing I do want to point out is that it has been possible to agree right round the whole Parliament on the substance of this motion and that almost every group in the House is now supporting it in one form or another, perhaps with amendments. It now has the support of the entire House, or 99 % of the House, and that is why time must be made available in order to allow this matter to be considered. At the moment only two groups are listed as supporting the resolution. If we have a little more time, it will become evident to the world that the whole Parliament supports it, and this is what we want.

(Parliament adopted Mr Arndt's proposal to place the votes on the agenda of the following day's sitting)

**President.** — I call Mr Prag.

**Mr Prag.** — I wish to point out that there are very serious errors of translation in the English, and perhaps also in other versions, of the motion for a resolution on which, fortunately, we have not yet voted. I hope that they will be corrected and that people will notice that they need correction.

**President.** — The different language versions will be checked in due course.

### 5. European automobile industry

**President.** — The next item is the report (Doc. 1-673/80), drawn up by Mr Bonaccini on behalf of the Committee on Economic and Monetary Affairs, on the European automobile industry.

I call Mr Bonaccini.

**Mr Bonaccini, rapporteur.** — (I) It may be estimated that about 11 million Europeans work directly for the motor industry or in industrial sectors related to it, or in commercial and service sectors to which it gives rise. The multiplier effects in the industrial sector alone can be summed up as a ratio of 1 to 2, substantially higher than the average for other manufacturing industries. In the quarter of a century from 1950 to 1975, the motor vehicle sector was undeniably active as a driving force for the revival and then the expansion of the economies of the Member States. That has made the car the symbol in our societies — for good or ill, in terms of advantages and disadvantages — of a whole stage in the history of European industry. As a result of pressure from the workers, new methods of production and organization of work have begun to be studied, which would go beyond the North American experience of the 1930s on the basis of which the modern European motor industry was organized.

These factors and others led the Committee on Economic and Monetary Affairs to the belief that it is possible

that the car industry can instil new dynamism and growth into the European economy and that appropriate Community measures could prove very effective in this field.

The urgent need for this action is also shown by the far from brilliant development of the sector over the last five years under the growing pressure of costs of oil products, of the daring policy for conquering third markets pursued by modern and efficient Japanese industry, of the gradual saturation of internal markets, which are also to some extent beyond the logic of Community preference. On the other hand, the European industry must make a similar gigantic effort at re-industrialization to that which the enterprises and administration of the United States, determined to be present with great competitiveness on all world markets, are now making.

Alarm, difficulty, unease and real crisis conditions are affecting large enterprises in a sector made up more of the sum of enterprises which are still predominantly national in size and market rather than Community-wide.

The changes which have occurred in more recent years suggest a transition to a more decidedly international scale in motor vehicle production. National barriers

**Bonaccini**

and even rigid Community barriers would not in the long term be able to resist the combined pressures I have briefly mentioned. The setbacks suffered by some firms could rapidly become irreversible processes of decline, threatening hundreds of thousands of jobs.

It therefore seems essential that Parliament come out in favour of the adoption of a Community strategy for the motor vehicle industry capable of providing a framework of general guidelines which are precise with respect to the action required of the Community institutions. Nearly all the members of the Economic and Monetary Affairs Committee agreed with this view and do not regard their duty as ending there, but commit themselves

to monitor continuously developments in this sector and to draft a report on this subject periodically.

The positive assessment of the possibilities for revival and success of the European industry rests on an objective basis — the observation that, despite obvious errors of management and forecasting, Community production can avail itself of technologies which on average are not inferior to those currently used by the major competitors, and contain favourable factors for regaining some lost ground.

One need only think of the scale of the Community market, the economic and political weight of the Community and the extensive links which it has with the rest of the world and which make the EEC the world's leading trading power.

Continuous innovation in the motor vehicle sector and in that of components and research and development can make it possible to achieve lasting increases in productivity in this sector and to strengthen its competitiveness on world markets. In other words, the Committee on Economic and Monetary Affairs, although aware of certain needs for protection, takes a general attitude of refusing to fall back on a merely defensive position, which would amount to condemning oneself to decline.

The measures proposed relate to external trade policy, the improvement of the common market, research and development, industrial structure, and present and future social aspects. I shall dwell on only a few of the points of the motion for a resolution. All the points must be tackled by close cooperation between national governments and Community institutions, harmonizing legislation, coordinating national aids and removing what are termed technical obstacles to internal trade.

With regard to external policy, the motion calls for a policy on the part of the Commission which would combine the necessary attempts to discuss and reach agreement with third countries made from a position of strength and unity by the EEC, with the determination, indeed the duty, rapidly to adopt the measures

essential to provide the Community market with the necessary safeguards should those efforts fail. The explanatory statement clearly indicates some of the measures which could be adopted, should the situation unfortunately require them. But the same explanatory statement mentions that the speakers at the hearing warned against the dangers inherent in generalized protectionism. In particular, in the discussions with the Japanese representatives, considerable stress should be laid on the need to harmonize adequately the wages and social and trade union rights of Japanese workers with those of the Community. Cooperation among undertakings on joint programmes is explicitly called for in the form typical of present-day industrial experience, as are the measures needed to encourage such cooperation, particularly in the components sector.

In accordance with the general guidelines already sketched out, the motion for a resolution stresses the need to follow fully and decisively the road of technological improvement, productive organization and automation. While, on the one hand, risk capital is expected to play a more adequate role in the essential investments, on the other hand it seems right that those programmes should be encouraged and appropriately supported.

It is in the context of these proposals that the expansion of the EIB loans policy in support of industrial cooperation and expedited automation programmes is to be seen. Leasing organizations could also provide support for the adoption of more sophisticated technologies, including the use of robots, in smaller firms cooperating in the components sector. This series of innovations in the industrial structure, like those in the safety and environmental fields, should help to create the basic conditions for an increase in the productivity of firms and the reduction of absenteeism where this phenomenon is found on an abnormal scale.

One cannot ignore the fact that, for very different reasons, all three possible scenarios (continuation of the present situation, drastic closure of the market and Community protectionism, innovation and development of competitive capacity) must take account of possible reductions in the labour force. In the first two cases such reductions are certain and substantial, in the third case only probable, and perhaps transitory and avoidable by timely action. I do not need to use many words to draw the attention of all of you to the extreme seriousness of events which affect social groups of employed and self-employed workers, already so seriously hit by an economic situation which spreads its poisonous pall over them and their families. To them must be added the millions of young people in the shipbuilding, steel and textile sectors to whom our Community is unable either to guarantee or even to promise the self-respect that goes with a job.

These events, too, have caused very bitter social strife, in Italy as elsewhere. Moreover, jobs are being lost in

**Bonaccini**

a sector in which, as the Japanese Prime Minister has said, unemployment is a political even more than an economic fact. That is why the Committee on Economic and Monetary Affairs and the social groups which have contributed to the hearings hope for an overall and effective commitment in keeping with the role of the Community institutions.

The last section deals precisely with questions relating to the regional distribution of firms, measures to regulate urban traffic, and more generally with questions of industrial relations concerning jobs and working conditions. The motion for a resolution, regarding trade union freedom of action as essential to our political system and without prejudice to the principle of negotiating autonomy, suggests a special procedure designed to assist that autonomous action, but also regards as important the role which the Community can play in assessing the results of the complex innovation and restructuring process. In particular, the communication of information to the trade unions, its dissemination to the workers, discussion and agreement on prospects for employment and innovations in the negotiating fields, and research on and creation of adequate alternative employment should be made easier.

The Committee on Economic and Monetary Affairs think the time has now come to discuss and adopt the guidelines already worked out on the adaptation and restructuring of working hours. At all events, all the decisions which should be taken in this phase must be accompanied by policies and measures covering vocational training, financing of the social fund and aids which will be really equal to the situation and the role which we want the motor industry to play. This is a field in which the capacity for initiative of the individual states and Community solidarity should be effectively combined.

Mr President, ladies and gentlemen, within the absolute time limits allowed me by the Rules of Procedure, I have tried to elucidate the essential aspects of the proposals which the Committee on Economic and Monetary Affairs has submitted to you, of the analyses behind them and the arguments on which they rest, much more fully explained in the documents accompanying those proposals. We now ask for your approval for a measure designed to play a significant role against deindustrialization and in favour of the definition and development of the Community's industrial policy.

*(Applause)*

IN THE CHAIR: MR JAQUET

*Vice-President*

**President.** — I call Mrs Agnelli to speak on behalf of the Committee on External Economic Relations.

**Mrs Agnelli, draftsman of an opinion.** — *(I)* Mr President, ladies and gentlemen, I am sure that you are all aware of the serious difficulties now facing the European motor industry. The price of oil has more than doubled in the last two years and continues to increase, and one of the sectors worst hit by the new energy crisis is that of motor vehicle manufacturing.

In this field one of the new elements not present in the first oil crisis of 1973 is the significant and rapid increase in Japanese penetration of European markets. Although the sales of new cars in Community countries have dropped considerably in the last few months, Japanese producers have succeeded in increasing their sales, and their share of the Community market has gone up from 6 to 9 % with peaks of 50 % in the Netherlands, Denmark and Ireland.

You are all aware of the importance of the motor industry for the European economy. It provides work directly or indirectly for six million people and accounts for 12.8 % of Community exports. The effects of the crisis have been felt in terms of unemployment and a deficit in the trade balance, and the voices calling for decisive aids to deal with the crisis have become daily more insistent. But what kind of Community aids in the trade policy sector can help the European motor industry?

The Committee on External Economic Relations, on whose behalf I speak, examined at length the problem of the causes of the current success of Japanese producers and of the measures which are necessary to revive European production. The reason for the success of Japanese cars, which incidentally are no better than European ones, is essentially the lower selling price made possible by lower production costs. Industrial relations in Japan are less tense and strife-ridden than in Europe, wages are lower, especially in the components and sub-contracting sectors, and the number of hours worked per employee and productivity per hour are significantly higher. But this is not a situation which the European Parliament or the Commission can directly change, since it is not possible for us to transfer to Japan the social conditions prevailing in Europe, nor to change the structures of our societies to bring them closer to the Japanese model.

Another reason for the advantage currently enjoyed by Japanese producers is the policy pursued by their monetary authorities, the result of which is that today the yen is undervalued by about 25 % in relation to its real value. In this field, the Community must ask the Japanese monetary authorities not to practice a policy of competitive devaluation, and ask the International Monetary Fund to play its monitoring role to this end.

A number of people have called for protectionist action by the Community in the form of tariffs or quotas, but apart from the fact that the increase in the present Community tariff of 10.9 % on Japanese cars

**Agnelli**

is not permitted by the GATT agreements, it is obvious that a protectionist policy, far from tackling the causes of the difficulties experienced by the European industry, would damage third markets which are no less important to us than the internal market.

What the Community must do instead is to ask the Japanese to pursue a less aggressive trading policy on the European market in order to safeguard our common interest in free trade, while at the same time creating more favourable conditions for European producers to carry out the investments and restructuring operations necessary in order to restore competitiveness to our products, which is, in the final analysis, the only real source of success and stability for our industry.

An interventionist policy on the part of the Commission in the motor vehicle sector would not help to promote greater efficiency. On the contrary, the producers must be allowed the freedom to make co-production agreements, in full autonomy and respect for the rules of competition, which would permit economies of scale to be made, especially in the research and components sectors.

Recent events show us how the relationship between European and Japanese manufacturers can be effectively placed on a footing of cooperation through the carrying out of joint ventures in the field of research and production, aimed primarily at the markets of developing countries, which are those likely to expand most in the coming years. The second energy crisis obliges the motor industry to restructure itself and to produce smaller cars which consume less and which can be sold on all the world markets.

The European manufacturers, in order to carry out this restructuring, need to make investments far less enormous than those of their American competitors, and will be able to meet the new challenge successfully without the need to start trade wars or resort to protectionist policies, if the Community institutions and public authorities give them the chance to recover the dynamism and competitiveness which they need by leaving them adequate margins of autonomy to carry out the restructuring, co-production agreements and joint ventures which are necessary to this end.

*(Applause)*

**President.** — I call Mr Barbagli to speak on behalf of the Committee on Social Affairs and Employment.

**Mr Barbagli, draftsman of an opinion.** — *(I)* Mr President, ladies and gentlemen, the Committee on Social Affairs and Employment believes that the reasons for the present crisis in the motor industry are essentially cyclical and structural. And perhaps it would seem that the view of our committee do not accord completely with those of the Commission.

Let us say that as far as our committee is concerned there are also cyclical reasons, since there is a marked fall in demand linked with a recessive economic phase on the more important European market and on the United States market. All the indicators confirm that there was a real fall in demand in the first months of 1980. The first figures of October show the trend getting worse.

Here are three figures:

France — 4.6 %, German — 9.1 %,

United Kingdom — 9.6 %.

These structural reasons relate to changes in the characteristics of demand. Indeed, the repeated increases in oil prices and the high level of motorization reached in the industrialized countries have altered the qualitative requirements for models, increasingly stressing the reduction of petrol consumption. In this context we could perhaps also point out that not all manufacturers foresaw these factors and so did not adopt in time the necessary measures to adapt to them. Therefore an innovation in the product is required, there have been changes in the relative positions of producers, and Japan has emerged among them as a strong and aggressive competitor. All this has meant for the European manufacturers a series of measures for reduction of staff varying from restructuring programmes involving collective redundancies, suspension from work, underemployment, measures to reduce staff through early retirement and/or incentives for resignation.

The first type of measures seems for the moment confined to British Leyland. The combination of the other two is in progress, albeit at different rates and by different methods, in the number of car manufacturing firms — Citroën, Peugeot, Talbot, Opel, Volvo and Fiat.

In the EEC countries in 1979 — and it is at this point that our committee's figures do not accord completely with those of the Committee on Economic and Monetary Affairs and appear instead to accord with those of the Committee on External Economic Relations — the motor vehicle sector provided work for about 6 million people, of whom 2 million were directly employed, 2 million in related sectors and about 2 million in distribution.

There is therefore a demand of a social nature, whose requirements are unavoidable, and a supply of an economic nature whose requirements are equally unavoidable. In this situation, the options for the European Economic Community operate, in our Committee's view, on two levels — on essentially economic and the other essentially social — but we wish to stress that these two are closely linked.

Our committee's proposals are contained in the opinion addressed to the Committee on Economic and Monetary Affairs, which lack of time prevent me from elucidating but which I can sum up as follows: in purely economic terms, the need for incentives for a European policy of innovation in the motor vehicle

**Barbagli**

sector, support for an industrial policy and a policy of rationalization in the component sector (concentration, agreements, etc.). I also feel obliged to point out a certain hostility on the part of our committee towards strongly protectionist measures, and in this we agree with the views expressed by the European metalworkers' trade unions at their meeting of 22 October 1980. In social terms, our proposals are for social measures designed to overcome the crisis, together with the use of the European Social Fund as a stopgap, by means of a guaranteed system of fluctuation in the numbers of employees in line with the market situation.

I also wish to point out that the amendments approved by the Committee on Social Affairs and Employment to paragraphs 5 and 6 were not included in the Italian text, but I see that this has been corrected by the insertion of the amendments.

**President.** — I call Mrs Flesch.

**Mrs Flesch, President-in-Office of the Council.** — (*F*) Mr President, Mr Ansquer, Mr Lalor, Mr Nyborg and Mrs Ewing had put an oral question with debate to the Council on the strategy to cope with the difficulties experienced by the European car industry, and this question is now covered by this general debate. For this reason I take the liberty of presenting Parliament with the reply the Council has instructed me to give.

The continuing and worsening trade deficit of the Community *vis-à-vis* Japan and the problems arising from the concentration of Japanese exports in certain sectors of the economy have led the Council to give priority to a review of relations between the Community and Japan as a whole. The Council has defined a new joint approach, which led it to adopt, at its meeting on 24 and 25 November 1980, a joint statement representing the starting-point and general framework for measures to be taken jointly to deal with the challenge which we must take up. This statement was confirmed and published by the European Council in Luxembourg. This important Community statement does not expressly mention the difficulties currently experienced by the Community car industry. However, where the statement speaks of particularly sensitive sectors and of specific problems, you can be certain that it also refers to the car industry, whose importance to the Member States' economies is self-evident. I should like to stress that this statement will not go unheeded. It is intended that the Commission will report to the Council before the end of February next year on developments in the situation. The Council will also be kept informed continuously about the results of the dialogue with Japan and, in the light of these results, it will give the Commission the necessary negotiating directives at the appropriate time.

Furthermore, the Council shares the view of the Honourable Members when they refer to the important advantage represented by sub-contracting, which is still highly developed in the car-manufacturing industry in Europe. As reported by the Commission in its recent study submitted to the Parliament, 60 % of the added value contained in a car stems from the sub-contractors who manufacture equipment and materials. This is a valuable advantage since sub-contracting can often be regarded as a sure sign of a greater ability to adapt and of a more active quest for new technologies and ever-greater competitiveness. Conversely, it may be feared that certain sub-contracting sectors suffer from excessively limited technical and financial capacity as a result of operating on too small a scale. We must beware, however, of over-simplified approaches because the components industry is fairly heterogeneous, including tyre, electrical-equipment and electronic-equipment manufacturers, and because it embraces both very highly structured groups and many small and medium undertakings.

Lastly, Mr President, it should be recalled that it is primarily for the car undertakings themselves to decide on their policies and, in particular on the range of their activities and on the conditions for recourse to sub-contracting. Public authorities, in particular the Community authorities cannot take their place. The Community must continue to create a favourable environment in which undertakings can pursue their efforts to withstand the challenge of competition and to make the necessary adjustments in a sector which plays an important role in employment and the external trade of the Community.

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

**Mr Moreau.** — (*F*) Mr President, ladies and gentlemen, on several occasions in recent months the European Parliament has been called on to study various industrial dossiers, either at the request of certain Members of Parliament or at the instigation of the Commission or the Council. Whether it be the textile industry, shipbuilding, or the steel industry, each time we have to first had to take emergency action and take steps to safeguard what is most vital in these sectors in crisis. The recent debate on the application of Article 58 of the ECSC Treaty is very symptomatic of the conditions under which our Parliament has to deal with industrial issues. We only intervene when serious damage has already been done to the sectors in question.

The Committee on Economic and Monetary Affairs, concerned about this state of affairs, decided to look into the various conditions to be met and the measures to be worked out and implemented in order to develop common industrial policies which would look towards

**Moreau**

and prepare for the future and not be content simply, in disarray, to repair the errors of the past or the ravages of the present. With Mr Bonaccini's report we are broaching on the Parliament's initiative, on a sector of our economy which, though it is experiencing difficulties, is not yet in a situation of serious crisis. If the Member States, the European institutions and the companies wish it and take the necessary measures, Europe is capable of overcoming the present difficulties which are being reflected in our countries mainly in short-time working and, in certain cases, redundancies and early retirement.

In this sphere Europe is faced with a fundamental challenge. Has it the capacity and the will to draw up and apply a policy which would allow the European motor industry to weather this difficult storm and remain one of the pillars of our economic development? For Europeans, the car has a high symbolic value. It is sufficient to look at the economy of each of our countries to see that this sector plays a central role in our industrial system and strongly colours our collective and individual existences. The car is an integral part of the resurgence of Europe as an economic and commercial power. To some extent it is the fetish of our prosperity. To interfere with the car is to interfere with one of the pillars of European growth. If Europe, if Europeans were in effect to admit their helplessness in the face of developments beyond their control in this industry, there is a strong likelihood that the economic autonomy of our Community would become no more than a fallacy and that we would be at the mercy of decisions taken by foreign companies and powers. In our view, opening a debate on the motor industry today is a first step towards formulating the industrial policies which are urgently needed by our Community in all the traditional industrial sectors and in the so-called advanced technology industries. It is a matter of urgency that we develop instruments for these policies in spite of the obstacles, the diverse interests and the difficulties.

Now, what is our diagnosis? Four elements command attention and we must measure their real impact. The policies of restricting demand pursued by our governments have had effects on the whole economy and in particular on the motor industry, particularly since this sector is experiencing a certain degree of saturation after the spectacular advances made in the last three decades. This decline in the European domestic market is complicated by a twin Japanese offensive both on the Community market itself and on the external markets which used to absorb the increasing amounts exported by European companies. Finally, American companies are drawing up strategies to resist the onslaught of the Europeans and the Japanese and are preparing their own offensive for the near future. Added to this is the emergence of new industrial centres in the East or in the developing countries. These facts represent concrete or virtual threats the significance of which must not be disregarded.

However, there is no compulsion on Europeans to be ruled by Japanese, American or other companies.

Of course, it is not easy to make an overall diagnosis because the situations vary from country to country and from company to company: depending on the conditions of growth and the traditions in each case, the policy followed has been, and is, different, both as regards model types and as regards resistance to the entry of Japanese cars. Not everyone views the future in the same way. Some, because they are succeeding better than others in protecting their own market share today, think that they can manage alone and are not inclined to accept an overall strategy at European level. Others, to avoid going under, want something to be done for them. The situation is therefore not a homogeneous one. The pressures are accordingly not always the same. However, in our view such calculations are short-sighted and do not take account of the general interests of our Community and of the peoples which comprise it. In spite of its weaknesses today, its differences and divergences, European industry has sufficient to resist, to assert itself and to consolidate its position.

But let there be no misunderstanding: our objective remains to satisfy the men and women living within our borders. The motor industry cannot be an end in itself. It remains one of the ways in which Europe can satisfy the needs of its citizens who must for their part adjust to new economic and political conditions. This adjustment will be made more acceptable if a comprehensive policy, both the various sectors and for the various regions, makes it possible to provide better employment for everybody. The two objectives pursued by the motor industry today, namely productivity and competitiveness, can only be achieved for the benefit of all if four conditions are met: a single market, a common trade policy, joint community measures in various spheres, creation of a framework for labour management negotiations.

One fact is clear from the start: there is no European market in cars. There is only the juxtaposition of national markets. The situation today is the result of national legislation, habits and practices. Companies and their models, their products, are the result of this varied reality. It is possible to speak of the Japanese car market but a European market does not exist. Such a market depends on the elimination of technical barriers, the introduction of European standards and the harmonization of inspections and roadworthiness tests. A similar effort must be made on taxation. We realize the normal, unavoidable resistance that will have to be overcome to achieve this. However, without a single market, the Community's size cannot be fully exploited and numerous cooperation and coordination initiatives soon come up against an impassable barrier. This criterion of a single market is vital. It is up to the Commission to make proposals in this area covering the necessary stages. However, time is short.

### Moreau

A second factor is the absence of a common trade policy. This second requirement is linked closely to the first. To the extent that national markets continue to exist, it is difficult, if not almost impossible, to draw up a common trade policy *vis-à-vis* the outside world. Nobody wants protectionism in Europe. In this respect the attitude of the European metal Workers Federation is indicative of the prevalent state of mind in the Community. Everything must be done to ensure that the rules of the game are the same for all, and in addition to the Japanese problem we must examine the whole pattern of our relations with the outside world.

Other Members of the Socialist Group will speak on various aspects of trade policy. For my part I should like to draw attention solely to the following aspects. We must act to introduce a Community certificate of approval for motor vehicles, as called for in Mr Bonaccini's report. This would have the effect of sharply reducing the differences between the Member States on the question of trade policy *vis-à-vis* third countries. Furthermore it is urgently necessary to give the Commission the freedom of action it needs to take the requisite measures *vis-à-vis* Japan in the light of how the situation develops.

However, the problem of Japan is not only one of greater productivity. It is also and perhaps principally one of respect for the rules of trade. Europe cannot allow itself to be subjected to the economic war being waged by Japan. Parliament must issue a severe warning to Japan and declare that Europe will not remain passive in the face of this general offensive. Unfortunately, recent contacts do not leave room for optimism regarding the Japanese willingness to check their advance. If the Commission does not succeed in pushing through an agreement on voluntary restraint in respect of Japanese imports, it will be necessary to take more stringent measures.

Thirdly, initiatives must be taken too to facilitate cooperation and coordination between States and between companies. The Commission's measures must be differentiated according to the fields concerned and according to whether they are short or medium term measures. Every effort must be made to increase cooperation between companies in the form of joint programmes. The existence of a single market would undoubtedly facilitate such cooperation. The Community must make every effort to increase research and development work either by taking initiatives itself or by coordinating what is done at national level. Whether it be electronics or research on new materials, Europe must continue to make progress. The pooling of research resources would prevent Europeans from being outstripped by the Americans and the Japanese.

This effort, which would be directed first of all at motor industry, would of necessity have repercussions in other areas. We believe that special efforts must be made as regards energy consumption, which is the

major problem facing us today, and for the foreseeable future as well. The Community must be bold in this sphere and move faster which presupposes that the Member States agree to release the necessary funds. Further spheres requiring action are the fight against pollution and the safety and design of new forms of individual and public transport in cities. This presupposes that the Council of Ministers backs a motor vehicle policy for Europe which is not focused solely on the very short term but encompasses the medium term and takes account of the problems facing our society such as safety, the environment, public transport, town planning. There is room here for numerous initiatives which would enable the Community to regain a certain degree of control over development in this strategic sector of industry.

Finally, we consider that this policy calls for the creation of a framework for labour management negotiations. In the course of the discussion in the Committee on Economic and Monetary Affairs we submitted an amendment calling for the creation of tripartite sectoral committee with the job of making periodical assessments or stocktakings of developments in this sector and putting forward proposals on industrial and social question. Indeed, it is unthinkable that workers' representatives should be presented with a *fait accompli* and only be expected to learn the social consequences once the economic decisions have been taken. There is no doubt in anybody's mind that in the coming years the motor industry is going to experience radical changes which will affect the life and working conditions of millions of wage earners in the Community. The organization of labour is not decided before redundancies but when these are being carried out.

It is then that the trade unions must be present. We want the present changes to represent a gain for the workers and not a loss. Without the participation of the trade union organizations we all know that it is the cold logic of economics and often solely of finance which will override all other considerations. The European trade-union movement, as we know, is ready to face change on condition that the interests of ordinary people are represented at the various decision-making levels and that each person can have the job he wishes. The problem of the motor industry is not just a question of the existence of a few companies but of whether Europe today is capable of drawing up strategies and industrial policies which combine the needs of the world market developments in technology, people's aspirations, and the necessary control over decisions which concern us.

For us Socialists, it is not a question of following a protectionist, conservative and therefore short-sighted policy, but rather, by means of the debates in this House the objective is to help generate awareness of the urgency and nature of the problem and to urge the Commission and the Council to take the initiatives and



**Moreau**

measures needed to develop the motor industry for the benefit of Europe and the Europeans.

**President.** — I call Mr Herman to speak on behalf of the European People's Party (Christian-Democratic Group).

**Mr Herman.** — (F) Mr President, our Group approves the broad lines of the Bonaccini report and in the main supports the analyses made and the remedies proposed.

In the face of the deteriorating market situation in the motor industry and the threat which this represents to employment, the European People's Party considers it indispensable to draw up a Community strategy designed to restore the competitiveness of the European motor vehicle industry. This strategy, initiated by the Commission, should be based on close collaboration between the European institutions, the Member States, the producers and the trade union organizations. Its objective should be to remove technical and administrative barriers and to step up competition within the EEC, to establish Community standards, to rationalize existing capacity so as to reach international productivity levels and thereby reduce production costs, and to carry out technological research with a view to better meeting the latest requirements in the area of fuel economy, reduced pollution, increased safety and performance. Finally, it should aim at the optimum exploitation of the size of the Common Market to increase specialization, subcontracting, the benefit from economies of scale and to build investment capital, particularly by recourse to the new financing instruments of the EEC. However, this strategy would only be politically acceptable if it were based on a package of accompanying social measures to facilitate the retraining and relocation of labour affected by rationalization. In fact several of my colleagues will return to this point later.

Within our Group there are variations of opinion on the delicate problem of relations with Japan and the Eastern bloc, and particularly on the nature of the protectionist measures which might become necessary. There was broad unanimity, however, on the need to enter into negotiations with Japan immediately with a view to getting the latter to adopt a more constructive attitude towards its overall participation in the international economy. These negotiations should deal with the following points. Firstly, the need for Japan to participate more actively and more positively in the international effort to achieve greater monetary stability. A devaluation of the yen *vis-à-vis* European currencies and the ECU could, under the present circumstances, only be interpreted as an act of aggression justifying retaliatory measures. Secondly, the need for Japan to make a greater contribution than in the past to the efforts to redistribute wealth to the Third World and to participate more actively in Euro-

pean policies to aid the developing countries; thirdly, the need for Japan to make a more substantial contribution to the collective defence efforts which the Western world has to undertake to keep in operation an economic system from which Japan benefits so greatly in other ways; fourthly, the need for Japan, like all industrialized nations, to contribute towards the protection of the environment and of natural habitats. We are thinking here in particular of the refusal of Japan and the Russians to cooperate in efforts to protect species on the verge of extinction, such as whales. Fifthly, the need for Japan to respect more faithfully not only the letter but also the spirit of the GATT agreements. Here we refer to the list of administrative formalities and the numerous constraints which restrict free access to the Japanese market.

Nor is it acceptable that Japan adopt a protectionist policy in all sectors where it is somewhat inferior to the rest of the world and a policy of free trade once it has reached a position on the world market in which its production costs are lower than those of competitors. One cannot adopt both protectionist and free trade policies depending on one's short-term interests. One has to agree to play the game of competition in all sectors.

Should Japan fail to give serious consideration to these legitimate demands, Europe should not hesitate to 'raise the drawbridge'. It is with reluctance that my Group would envisage such extreme measures but it will have to bring itself to do so if Europe's demands go unheeded.

**President.** — I call Mr Hopper to speak on behalf of the European Democratic Group.

**Mr Hopper.** — Mr President, the European motor-car industry faces many problems of differing kinds and there is no single solution. First of all, there are problems inherent to the industry itself. These relate to poor industrial practices, overmanning and low productivity. The United Kingdom is particularly prone to this kind of *malaise*, although it exists in a number of Member States.

Then there are problems relating to the pattern of trade as determined by tariffs, quotas and physical barriers. In general, but not always, such arrangements operate to the disadvantage of the Community's motor industry. My colleagues in the European Democratic Group will be discussing these matters later.

I wish to focus on a third kind of problem, which is that certain overseas governments, and in particular Japan, manage their exchange rates in a way which greatly promotes exports and discourages imports. There are those who maintain that there is no evidence for the existence of such practices and indeed that they do not exist. This is not the view of the Committee on

## Hopper

Economic and Monetary Affairs. I refer honourable Members to the report before the House, in particular to paragraph 8 of the motion for a resolution, which calls for balanced exchange rates, particularly against the yen, and to paragraph 64 of the explanatory statement, which refers to the undervalued yen.

There is ample evidence to the effect that exchange-rate management has been a normal practice in Japan.

I am not suggesting that Japan has achieved its success solely or chiefly by currency management. Other factors are at work. First and foremost is the efficiency of Japanese industry and the quality of its products. There is also the skilful use which Japan has made of tariffs and non-tariff barriers. But the exchange-rate policy consistently practised by the Japanese Government over three decades means that there has never been fair competition between that country and most other countries. I am reminded in this one respect alone, Mr President, of the game of roulette. A managed exchange rate is a bit like the zero on the wheel: the zero means that the banker, and in this case the Japanese banker, always wins in the end.

You may well ask how an exchange rate can be managed to produce this effect. The answer is by artificially stimulating a continuing deficit on capital account — that is to say, an outflow of funds from the country in question. The effect of this outflow is to force down the value of that currency in the international exchanges. All goods produced in that country are cheapened by this procedure. Its manufactures gain a sharp competitive advantage. Mrs Agnelli has estimated this advantage at 25 %.

An export of capital funds can be stimulated in two ways. There can be a large-scale and continuing official export of capital, as when a central bank buys US Treasury bills for inclusion in its national monetary reserves; or the same effect can be achieved by applying an elaborate system of exchange controls to the private sector. Nations which seek to manage their exchange rates in this way usually employ a combination of both methods.

In the 19 years between 1960 and 1979, Japan made a net export of capital in every year except four. Total official and private exports of capital amounted to 18 300 million dollars and 21 400 million dollars respectively during this period, making a total of almost 40 000 million dollars.

At the summit meeting held in Bonn in July 1978, Prime Minister Fukuda undertook that Japan would mend its ways and, true to his promise, a new foreign exchange law has been enacted. It is significantly more liberal than the previous one. I welcome this new law, but I must say to our Japanese friends that the spirit in which the new law is administered will be all-important. It is difficult to believe that old habits will die so

easily. Furthermore, the new law will do nothing to curb official Japanese exports of capital.

The principal message which I wish to leave with the Commission is a very simple one: please remember, when you negotiate with the representatives of countries which export motor-cars or indeed other products to our Community, that national exchange-rate policies are as significant in determining the pattern of trade as tariffs and non-tariff barriers. Indeed, exchange-rate management could well be described as the greatest non-tariff barrier of them all.

The first thing, Mr President, is for us to acknowledge that the problem of exchange-rate management by certain countries exists. To do so is at least half the battle. Then we can decide what to do about it. We can respond in similar vein, seeking to depress our own currencies and to advantage our own trade, or we can seek to enter into discussion with the representatives of exporting nations in the hope of prevailing on them to change their ways. Needless to say, Mr President, the second course is much to be preferred.

## THE CHAIR: MR ROGERS

### *Vice-President*

**President.** — The debate on this item will be continued tomorrow.

### 6. Question Time

**President.** — The next item is the second part of Question Time (Doc. 1-686/80).

We begin with questions addressed to the Council.

Question No 50, by Mr Berkhouwer (H-466/80):

With reference to the article by Philippe Lemaitre in *Le Monde* of 7 October 1980, I should like to ask the Council the following question on the subject of the construction of a building for its General Secretariat. Does the Council not think it is high time, in view of:

- the continuing difficulties surrounding the plans submitted by five different construction firms, all of which failed to pass the scrutiny of the Staff Committee, who rejected all five plans as impracticable;
- the recommendation of the Court of Auditors, which believes that, because of the tremendously high rents that have to be paid, the Community institutions should build their own working premises;

to take in hand the construction of a new building for the General Secretariat of the Council and to earmark Community funds for the construction of a functional office building which the Community will own?

**Mrs Flesch, President-in-Office of the Council.** — (F) As early as 1975, work was started by the Council on organizing an international architects' competition to produce the design of a possible new building to be built on a site made available by the Belgian Government. That this work was not brought to a successful conclusion was due in particular to the problem of the seat of the Institutions. It was in the light of this that the Belgian Government took the step of having the proposed Council premises built at its own risk, the Council being able when the time came to either rent or purchase them. In order to implement its decision, the Belgian Government issued an invitation to tender for a public promotion contract for the design, construction and financing of the building. According to information available to the Council, the Belgian Government has not yet selected a bidder from among those who responded to the invitation to tender. So far, the various stages of the selection procedure instituted have simply resulted in the gradual elimination of certain candidates. During stage three of the selection procedure the Council was asked by the Belgian Government at the beginning of this year to express a reasoned opinion on a number of plans. This opinion was arrived at following a detailed examination by a Working Party of State experts and consultations with staff representatives from the Secretariat.

At that time the Council held that none of the plans seemed of exceptional quality but that in varying degrees three of them could meet the main operating requirements inherent in the activities of the Council and of its various departments. Yesterday, the Belgian Foreign Minister informed the Council that the Belgian Government now intends to ask those candidates — five, I think — who had answered the original call for tenders to submit a new plan for a larger site which will not only meet the real needs of the Council, but will also satisfy the demands of the neighbourhood associations.

**Mr Berkhouwer.** — (NL) Does the President of the Council agree with the opinion of the Court of Auditors that it is somewhat abnormal for the institutions of the Community to be housed in buildings which they lease at enormously high rents from the various national governments, who duly become the owners of the buildings as a result of these high rents. Neither the Council nor Parliament has any say in the matter, and does this not involve an enormous waste of Community resources?

**Mrs Flesch.** — (F) It is true that the Court of Auditors advised the Council to build its own premises. However, the Council sees two objections. The first is a political objection and relates to the provisional nature of the places of work of the Institutions. The second is obviously a financial one, since neither the Community nor the Council has the means available for such a project.

**Mr Enright.** — Can the President-in-Office, particularly as she is from Luxembourg, assure us that the current construction work going on in Luxembourg is in no way whatsoever connected with new buildings but is a deliberate attempt to ensure that we are late when we pass along the roads and is only started up at plenary sessions in order to get us there ½ hour late each morning, and that this is perhaps part of a campaign to have the seat of Parliament moved to Batley in West Yorkshire?

(Laughter)

**Mrs Flesch.** — (F) As the President of the Council has had to renounce her post as mayor of the city, she is naturally no longer responsible for such work.

**Mr Price.** — Can I indicate that the President-in-Office of the Council said nothing, in talking about the invitation to tender, about this being open to people tendering from other countries? Can she confirm that the Belgian Government, in the construction of such an important building, will ensure that it is open to tender from any Community country.

**Mrs Flesch.** — (F) The Belgian Government publicized these invitations to tender in the following newspapers: 'Børsen' and 'Politikken' in Denmark; 'Die Welt' and 'Frankfurter Allgemeine Zeitung' in West Germany; 'Le Figaro' and 'Le Monde' in France; the 'Evening Press' and the 'Irish Times' in Ireland; 'Corriere della sera' and 'La Stampa' in Italy; 'Luxemburger Wort' in Luxembourg; 'De Telegraaf' and 'Het Algemeen Dagblad' in the Netherlands; 'The Daily Telegraph' and the 'Financial Times' in the United Kingdom.

(Laughter)

**President.** — Question No 51, by Mr Moreland (H-471/80):

What benefits does the Council believe have accrued and will accrue from its decision of 20 February 1978 to institute a consultation procedure and set up a committee in the field of transport infrastructure?

**Mrs Flesch, President-in-Office of the Council.** — (F) Compared with the Decision of 28 February 1966, the Council Decision of 20 February 1978 brought about a marked improvement and appreciable strengthening of the consultation procedure in the field of transport infrastructure. The setting up of the Committee made it possible, in particular, to establish a permanent Community framework for examining the Member States' plans and programmes for the development of transport infrastructures and of individual projects. Concretely, the Committee has already made a significant contribution to the Commission's work by assist-

**Flesch**

ing it, in particular, in preparing the report on bottlenecks and the different foreseeable means of action.

This Committee will also assist the Commission in the preparation of the report on the criteria for evaluating projects of Community interest in the field of transport infrastructure which the Commission has undertaken to submit to the Council as a forerunner to a proposal for a Regulation.

**Mr Moreland.** — Would the President-in-Office of the Council not agree with me that in that Council decision of 1978, and I refer to Article 1, paragraph 2, the Council in fact agreed on a definition of infrastructure that was of Community interest? Does she not agree with me that now that the bottlenecks report has been produced, it is about time that the Council acutally got down to doing something about infrastructure instead of having committees? The groundwork has been laid and therefore the next Transport Council should consider passing the financial regulation enabling the Community to invest in transport infrastructure.

**Mrs Flesch.** — The answer is yes, but it seems to me that the 1978 decision must be looked at again.

**President.** — Question No 52 (H-479/80) and Question No 53 (H-480/80) have been postponed at the authors' requests.

Question No 54 (H-491/80) and Question No 55 (H-493/80) cannot be called because there are items on the agenda dealing with the same subjects.

Question No 56 by Mr Cronin (H-502/80) has been postponed at the author's request.

Question No 57 by Mr Turcat (H-504/80):

What does the Council intend to do in the area of long-term space policy in launchers and space stations, over and above previous projects and statements of general policy?

**Mrs Flesch, President-in-Office of the Council.** — (F) The Council has not yet held discussions on a European space programme. The Commission's proposals concerning economic and industrial requirements and the long-term objectives of scientific and technological policy did not refer specifically to a space programme.

**Mr Turcat.** — (F) Does this extremely brief reply indicate that space policy should not be discussed in this House? I would regret that, because this is one of Europe's major opportunities. It is something which could lead to major achievements — European achievements, not imported ones — in other fields of technology. Is it not time to give substance to our

projects, even if they are not entered in our budgets? More specifically, is it not time to give substance to the projects involving the Ariane launcher, so that we can get away from our dependency on the United States or even compete with them for putting heavy loads into orbit? Does the space agency already have the financial and human resources and the mandate to undertake this task? My supplementary is not much longer than the initial reply; I hope that this progression will be continued and that we will be given a somewhat more detailed answer.

**Mrs Flesch.** — (F) The reason why the Community does not appear to have felt the need to give priority to drawing up a policy of its own in this field is probably that a European Space Agency already exists.

The task of the European Space Agency is to coordinate and promote — for exclusively peaceful purposes — cooperation between the countries of Europe in the field of space research, technology and applications. All the Member States of the Community except Luxembourg are members of the Space Agency, as well as Spain, Sweden and Switzerland. The main fields in which the European Space Agency is active are as follows: scientific and technological research, industrial policy, inventories of natural resources, fishing, agriculture, environmental protection, geology, hydrology, forestry, meteorology, telecommunications, sea and air navigation. These are fields which also come within the scope of the Community to a great extent.

A second point which concerns the second part of the supplementary is that the European Investment Bank has just given a loan of 10 million French francs — 1.7 million EUA — to promote the construction of a satellite launcher as part of the Ariane European space programme. The ten-year loan at 14.5 % was granted to Ariane-Espace SA, a company set up jointly by leading firms in the eleven member countries of the European Space Agency, the French Space Study Centre which has directed the work, and 13 European banks with interests in this field.

**Mr Purvis.** — It would seem that the European Space Agency is not a very cohesive body and various Member States seem to be going off at tangents and doing their own thing. In view of the repeated avowals by the Council of Ministers and the European Council that such areas as advanced technology, telecommunications, remote sensing and the like are of critical importance to the future of European industry, the European economy and the well-being of our people, is it not time that the Council took a concerted interest in the future of space technology and what it could contribute to our well-being?

**Mrs Flesch.** — (F) I would point out that the Ariane programme I have just mentioned involves wide-rang-

## Purvis

ing industrial and technological cooperation between Community undertakings and that this should thus lead to improvements in telecommunications, data banks, television and space research. Moreover, in view of the document submitted by the Commission on industrial innovation, and the response to it in the conclusions of the European Council, I am sure that the Commission and the Council will soon have occasion to look at these questions more closely.

**President.** — In the absence of its author Question No 58 (H-307/80) will receive a written answer.\*

Question No 59, by Mrs Ewing (H-431/80):

Whereas preferential interest rates offered to the fishing industries of other Member States and third countries have operated to the detriment of the Scottish boat-building industry, now in a state of crisis, and whereas the Scottish system of EAGGF grant allocations lacks the certainty and efficiency of systems operating in other EEC countries (including Northern Ireland) thus exacerbating the problem, what steps does the Council propose to take to investigate this situation and alleviate it?

**Mrs Flesch, President-in-Office of the Council.** — (F) Under the system set up by Articles 92 to 94 of the EEC Treaty, it is in principle for the Commission to judge whether or not Member States' aid granted to the fishing industry is compatible with the rules of the common market. On 22 July 1980, moreover, the Commission submitted to the Council a communication on the guidelines which the Commission intends to apply in the future when examining State aid for the fishing industry. As regards support from the EAGGF, Guidance Section, and pending the introduction of an overall structural policy, the Council adopted a series of interim measures in 1978, 1979 and 1980 designed to encourage the restructuring of the inshore fishing industry, for which the Community has earmarked a total financial contribution of 40 million EUA. Priority with regard to support from the Fund *shall be given to projects which bring benefit to regions which have particular difficulties in developing satisfactory production structures.*

**Mrs Ewing.** — May I thank the President-in-Office of the Council for her answer and add my congratulations to all the others, to my colleague of many years standing. Could I ask her, however, to bear in mind that the Council, whose talks broke down today on fishing, have an overall responsibility to make the fishing industry work? If boatyards are to survive, I would ask the Council to look at my question a little more sympathetically. They must be aware presumably of the closure of Scottish yards which are building boats of 80 feet and under, and the many other yards will face closure if the qualifying figure for grants is upped from 80 feet to 100 or even 120 feet. While that may suit the Dutch, it runs counter to what the Council are

trying to achieve in the matter of conservation. Large boats will not assist us in this regard when already we have to limit quotas for the smaller boats.

**Mrs Flesch.** — (F) I take note of Mrs Ewing's reminder that the Council has an overall responsibility in this sector. May I point out to the House that Parliament was consulted last August on a Commission communication to the Council concerning structural measures in the fisheries sector, and I understand that Parliament is to give its opinion on 19 December 1980.

One last point, Mr President. As I have had occasion to say before, I share Mrs Ewing's regret that the Council meeting on fishing broke up today without reaching any decisions.

**Mr Provan.** — I am extremely disappointed personally that the Luxembourg presidency was not able to preside over the achievement, and it would have been a tremendous one. That is a matter of personal regret to me because I feel that the political impetus may now have been lost to a certain extent. But that is not the question, Mr President. I represent an area of Scotland that has about 50 % of the fishing boats in the United Kingdom. I have four boat-building firms within that area, all of which are going through severe depression at present because of the uncertainty due to the lack of a common fisheries policy, but also because of competition from foreign yards. When I say foreign yards I mean those outside the Community. Is there anything that the Council can do to assist our own fishermen more and to stop the unfair competition coming specifically from Norway?

**Mrs Flesch.** — (F) The Luxembourg presidency is naturally just as disappointed as the honourable Member that it has been unable to bring about an agreement on the fisheries question. However, I would point out that, over the last six months, the Presidency held five Council meetings devoted to fishing — more than ever before. Unfortunately, no agreement could be reached.

As regards the competition mentioned by the honourable Member, I would point out that a number of projects in Scotland have received interim aid from the EAGGF to help restructure inshore fishing. I realize that this is not the problem involved here, but it does show that we have done as much as we could during the period in question.

I might add that I am personally well enough acquainted with the data on competition in shipbuilding, but I intend to study the matter and perhaps ask one of my successors in the Presidency — who will be from a seafaring nation — to give a fully reply to this question.

(\*) See Annex.

**Mr Hutton.** — To some extent Mrs Flesch has already answered the point I was going to make, for I was going to ask her if she would draw the attention of her successor in the seat which she honourably occupies now to the damage which could be done to Scottish yards if the Commission's new proposals to fund boats up to 120 feet go through. Scottish yards are only geared to handle boats of 80 feet, and the Commission's proposals could deal them a mortal blow.

**Mrs Flesch.** — I shall, of course, draw Mr Van der Klaauw's attention to that question.

**President.** — Question No 60, by Mr Adam (H-435/80):

What action does the Council propose to take to ensure that energy supply costs to Community industries do not result in unfair competition within the Community or from outside?

**Mrs Flesch, President-in-Office of the Council.** — (F)

On 15 October 1980 the Council received a Commission communication on energy and economic policy. A large part of this is devoted to the point raised by the honourable Member in his question: energy supply costs and their repercussions on Community firms. At its meetings on 20 October and 15 December 1980 the Council had a detailed discussion on the problems dealt with in the Commission communication. It agreed to continue discussions in the months ahead.

**Mr Adam.** — The Commission document, of course, was published after I put down the original question, but events are moving very fast on this particular matter. I would like to ask the President-in-Office of the Council what support the Council has given or intends to give to the British Government's request for a joint initiative to persuade the United States Government to end its artificially low prices? That was reported in the British press two days ago. Will the Council support British Government steps, if they are taken as foreshadowed in today's *Guardian*, to reduce energy costs for manufacturing industry in the United Kingdom?

**Mrs Flesch.** — The issue was raised at the European Council and the Commission has been asked to continue discussions on this matter with the United States. But of course, as everybody realizes, it is a bit difficult to go on with these discussions in the United States until the new administration is installed.

**Mr Marshall.** — Would the President-in-Office of the Council be able to give us some sort of time scale for a decision being taken by the Council, which is

renowned for its ability to indulge in discussion rather than engage in decision-making? Would she agree that until a decision is made on energy subsidizing we are going to be in a situation where we are encouraging the wasteful use of energy, which reduces our ability to defeat the blackmail imposed by OPEC?

**Mrs Flesch.** — The Council discussed the matter on Monday and has asked the Commission and the Economic Policy Committee to give it further information on the matter by the end of the first quarter, if at all possible. Of course the discussion will go on.

**Mr Paisley.** — Would the President-in-Office of the Council bear in mind, in these discussions she is going to have, that Northern Ireland suffers in this field more than any other part of the Community, paying three times more for gas, 20 % more for electricity and £ 12 per tonne more for coal, and would she please keep that fact in mind when she has her discussion so that something can be done for the industry of Northern Ireland where we have the largest unemployment in all the Community?

**Mrs Flesch.** — I shall keep it in mind and bring it to the attention of the Council.

**President.** — Question No 61 by Mr Michel (H-467/80):

In view of the progress made with projects such as the one for further nuclear power stations in Chooz and of the serious damage which the implementation of these projects could entail, particularly in a neighbouring country, and bearing in mind the explanations provided by Commissioner Davignon at Parliament's sitting of 15 September 1980, in answer to my question on the same subject, does the Council not feel that it should consider much more conscientiously the proposal for a regulation concerning the introduction of a Community consultation procedure in respect of power stations likely to affect the territory of another Member State, on which the European Parliament delivered an opinion as early as 7 July 1977? In the meantime, could it indicate to the European Parliament how far it has progressed with this matter and the deadline it has set itself for reaching a decision?

**Mrs Flesch, President-in-Office of the Council.** — (F) The Council has already adopted, on a proposal from the Commission, a Resolution of 20 November 1978 in which it takes note of the intention of the Commission to organize, in a group of representatives nominated by the Member States and sitting under the aegis of the Energy Committee, an exchange of information on problems arising out of the siting of power stations, taking into account the diversity of local situations. After consulting the Energy Committee, the Commission will submit a report to the Council on the results obtained from this exchange of information. The Council is at present continuing with discussions on

**Flesch**

the proposal for a Council Regulation concerning the introduction of a Community consultation procedure in respect of power stations likely to affect the territory of another Member State. However, it has not yet been able to reach agreement on the proposal unfortunately. I might add.

**Mr Michel.** — (F) I am not obsessed with nuclear power, but I am becoming obsessed with non-answers. The Commission told me to ask the Council, but as early as 7 July 1977 — when you were a Member of this Parliament, Madam President-in-Office — Parliament asked for a reasoned opinion on this matter, and we were told that

the Council is conscientiously studying the proposal for a regulation concerning the introduction of a Community consultation procedure in respect of power stations likely to affect the territory of another Member State.

Today you tell us that the Council has already adopted, on a proposal from the Commission, a Resolution of 20 November 1978, in which it takes note of the intention of the Commission to organize a group of representatives nominated by the Member States and sitting under the aegis of the Energy Committee. More than two years have passed since the 20 November 1978. Can you tell us what the position is with regard to up-to-date information and the exchange of information? Can we really say that there are no problems anywhere, when yesterday's newspapers tell us that Jean Servan — known as 'Minister Safety' in France — has resigned from the General Secretariat of the interministerial committee on nuclear safety? I have the impression that in this field, as in others, there is a game of ping-pong going on. This is one way of settling some problems — it helped to re-establish relations between the United States and China — but perhaps it is time we stopped this game and realized that responsibility for nuclear safety has to be assumed somewhere. If the Community does not assume it, who will?

**Mrs Flesch.** — (F) An initial procedure was set up in 1978, as you said, and since then a new procedure has been under study. In this context, the problem is as follows: if whatever Community procedure is adopted should prove insufficiently binding — and the Treaty does not provide for sanctions — certain delegations known to myself and to Mr Michel might be tempted to resort to bilateral agreements. This is one of the points to be taken into account.

I might add that, thanks to the efforts of the Luxembourg Presidency, the question of this new procedure was discussed by the Energy Council on 27 November last. Moreover, some progress has been achieved over the last six months, but unfortunately no final decisions have yet been reached.

**Mrs Weber.** — (D) May I first of all thank you for your 'unfortunately', for your sigh at the end of your initial reply. I attach great importance to it. Do you not feel, however, that this Community consultation procedure is developing into one of the biggest bones of contention in the European Community. I am thinking in particular of the latest meeting of the Environment Council, which apparently again succeeded in preventing any agreement on an important directive, the one on Seveso. In this connection, Parliament had taken the view that all these agreements at European level do not get us one single step further if they are not effective across national frontiers.

My question is this: is this why the Seveso directive failed, and what opportunities do you see for compromise, if any, or is it not the case that this Community really is increasingly degenerating into an agricultural Community incapable of solving such major problems?

**Mrs Flesch.** — (F) This is certainly an extremely difficult question. As I said this morning when I was reporting on the outcome of the European Council, the Member States have widely differing attitudes and degrees of sensitivity on this subject. This means that some delegations attach very great importance to such a directive and would like to see it going as far as possible, being as binding as possible and coming into force as soon as possible, while other delegations which see things differently and are encountering some difficulty because of the efforts of certain industries have the completely opposite point of view. In view of the differing attitudes, I unfortunately cannot say at this juncture either what line the Council's decision will finally take or when it might be reached.

**Mrs Lizin.** — (F) We were somewhat disappointed by what the Luxembourg Presidency meant by 'tackling the problem within the Energy Council'. If our information is right, what it amounted to, at the end of the meeting, was a simple mention of the designation of the problem, and not a discussion of the substance. Can the Luxembourg Presidency explain why, despite a formal undertaking given during the Parliament debate on the Von Alemann report that the Council would discuss the question, this debate has not yet taken place, and does it intend to use its influence with the Dutch Presidency to ensure that this kind of thing does not happen again?

**Mrs Flesch.** — (F) We had extreme difficulty getting this point put on the agenda under 'Any other business'. The very fact that we managed to do so is regarded by some as a victory. It was possible only because of the sympathetic hearing the Presidency gave to the Luxembourg delegation's request.

(Laughter)

**President.** — Question No 62, by Mr McCartin (H-586/80):

The breaking of road links by the British authorities with Cos. Donegal, Leitrim, Cavan and Monaghan seriously impede long-established commerce and the free movement of goods and services between both sides of the Irish border. Will the Council request the British Government to ensure that these wholly unnecessary road blocks are removed so that the provisions of the Treaty of Rome for the free movement of goods, services and persons may be fully applied in these areas?

**Mrs Flesch, President-in-Office of the Council.** — (F) To date the Council has not had occasion to discuss the matters to which the honourable Member refers. It is for the Commission, as custodian of the Treaty and in accordance with the measures taken pursuant to it, to take decisions on such questions, subject to the control of the Court of Justice. In this connection, the Council has noted the opinion issued by the Commission in May 1980.

**Mr McCartin.** — Will the President-in-Office of the Council please bear in mind that the problems we are discussing occur in one of the most economically deprived areas of this Community? While we admit that there is a security element, nevertheless obstacles have been created that divide communities that have long enjoyed social and economic contact with one another. Would the Council not agree that whatever security considerations exist in this case, these barriers constitute an obstacle to trade and the movement of goods and people and that such barriers should not be created without consultations between friendly States, members of a community who enjoy a lot of things in common, and will the President assure me that she will request the Council to discuss this matter at least with the individual States concerned with a view to resolving it to the satisfaction of both sides, which I am confident it can be?

**Mrs Flesch.** — (F) As the honourable Member knows, there is Article 36 and the reference to public security, but I will not insist on this point. However, I would point out that the road blocks mentioned by Mr McCartin are all, according to our information, on minor roads where there are no customs posts. Since anyone who has something to declare has to cross the border at a point where there is a customs post, the Irish and British authorities do not consider that these road blocks have hindered trade, and there are no restrictions on the roads which have customs posts.

I might add that, up till now, the Council has received no request from either the Irish or British authorities.

**Mr Paisley.** — Would the President-in-Office keep in mind that these obstacles are not wholly unnecessary, that IRA killers have come across these roads and

killed over 100 people in Northern Ireland and that since the blocking of the roads in the Fermanagh area this murder campaign has come to a halt? And would she not agree that if there is a genuine spirit of neighbourliness between the Republic and Northern Ireland, and extradition treaty would rid us of the need to have to put up barriers, because these people can commit their crimes in Northern Ireland and then escape to safe sanctuary . . .

**President.** — Mr Paisley, you were quite out of order at the end of your question. The question to the Council concerns the free movement of goods and services and certainly has nothing to do with extradition or matters of that nature. You do not have to answer that question, Madam President.

I call Mr Paisley to speak on a point of order.

**Mr Paisley.** — Mr President, the first question was alright, even if you are going to bar the second. I am sure the Treaty of Rome does not say that you can have terrorists operating across the border.

**President.** — In that case I rule out your second question and will let your first question stand. In future, however, Members must ask only one supplementary question.

**Mrs Flesch.** — (F) I have already answered the first question when I mentioned Article 36, which lays down that the provisions of Articles 30 to 34 shall not preclude prohibitions or restrictions on imports or exports justified, among other things, on grounds of public security. That is the essential point.

**Mr Moreland.** — Is the President-in-Office of the Council aware that in the Commission's report on transport bottlenecks the Irish and British Governments submitted as their projects for development in both Northern and Southern Ireland links between Dublin and Belfast, both by rail and road, and does that not emphasize the need in this context for the Community to have some interest and to develop its transport infrastructure programme?

**Mrs Flesch.** — No, I was not aware of that. Yes, I agree with the honourable Member. As far as I know, these are main roads.

(Laughter)

**President.** — As its author is absent, Question No 63 will be answered in writing.\*

\* See Annex.



**President**

Question No 64, Ms Clwyd (H-540/80):

Would the Council comment on the recent judgment (29 October 1980) of the European Court of Justice, which appears to confirm that the Council must not only consult the European Parliament on legislation but also wait for Parliament's reply before putting that legislation into effect.

**Mrs Flesch, President-in-Office of the Council.** — (F) The Court did indeed state in paragraph 35 of the judgement to which the honourable Member refers that fulfilment of the requirement that the European Parliament be consulted, where laid down in the Treaty, involves Parliament actually giving its opinion. The Council sees this judgement as entailing closer cooperation between the Institutions involved in the Community's decision-making process so as to ensure that acts which, under the Treaties or Regulations have to be adopted by a given date, can be. If the Council, with which responsibility for adopting such acts rests in the final instance, is to meet this obligation, it is up to each Institution to take the necessary steps internally, according to the deadlines set for particular proposals, so as to play its part in the process in time for the Council to meet such deadlines.

**Ms Clwyd.** — I am sure that the President-in-Office of the Council, as a former parliamentarian, is as pleased as we are at the improved relationship and improved communications between Parliament and Council.

I would like to suggest how that relationship might be improved even further. As you know, last night the Council turned down the special temporary measures — social measures — for steel workers. It would be of considerable interest both to Parliament and to the citizens of the Community, and particularly redundant steel workers, to know precisely which countries voted against the proposal of the Parliament and the Commission. Would the President-in-Office agree that it would further improve the relationship between Parliament and Council if the Council, as the only legislative body, as far as I know, which meets in secret, would in future hold its meetings in public, so that we should know how it reaches its deliberations and which countries vote for and against Parliament's proposals?

**President.** — Well, that is two questions, but they are very closely linked.

(Laughter)

**Mrs Flesch.** — As far as I know, there has been no vote on this question: there have been a number of difficulties but no vote. Secondly, as this Assembly certainly knows, the Rules of Procedure of the Council say that the operations of the Council are covered by professional secrecy and that sessions of the Council can be open only if this agreed to unanimously.

As the third and last consideration, I would call your attention to the fact, and this is a purely political argument, that if the sessions were public, it would probably be much more difficult for Members of the Council to change their minds once they had recognized that they were wrong.

**Mr Sieglerschmidt.** — (D) Do you think it is interpreting the Court of Justice judgment correctly for the Council to present five requests for urgency to us this morning without considering it necessary to justify the urgency to Parliament in one single case? This inevitably had an effect on the voting. Would it not be better for the Council, Commission and Parliament to get together to try and find criteria for the length of the consultation period? I am thinking of a joint statement by the three bodies. Would you be prepared to transmit this suggestion to your successor?

**Mrs Flesch.** — (F) In view of the way things were going, there was a danger of a legal vacuum. That is why the Council felt the need for urgent procedure. I might add that, as in all parliaments — at least in all those I know — the end of the year is always particularly busy.

**Mr Provan.** — Really, that last question covered part of what I wanted to ask. I hope the President-in-Office will take back to the Council the message that Parliament delivered very strongly this morning, that we demand our documents in plenty of time so that our committees can have a proper look at the legislation that is going through. However, I should like to ask further whether the President-in-Office is satisfied with the role of COREPER and whether COREPER takes sufficient notice of the decisions that Parliament takes and of the documents that are sent to Council.

**Mrs Flesch.** — As a Member of this Parliament I often had occasion to voice the request which has just now been voiced, and I shall take it back to Council once again. COREPER is, I think, a very useful institution in the procedures of the Council, and I am sure that the Council could not operate as efficiently as it does — maybe some people here do not think that it does act that efficiently, but anyway, as efficiently as it does — if it did not have the assistance of COREPER. My neighbour to the right, who is the present chairman of COREPER, assures me that he takes the decisions of Parliament as bedtime-reading every night.

(Loud laughter and applause)

**Mrs Buchan.** — Could the President-in-Office not tell us whether, in answer to Ms Clwyd's first point, it might not be better for us to seek, as we often have to seek, for information in the United States of America, whose Freedom of Information Act often tells us more

**Buchan**

about what is going on here than we can find out democratically?

**Mrs Flesch.** — The United States of America, I believe, has a much longer experience of federalism than the European Community. When the Community has reached the age of the United States, maybe we shall come to the same rules of procedure and methods.

*(Laughter and applause)*

**President.** — In the absence of its author, Question No 65 (H-547/80) will receive a written reply.

Question No 66, by Mr Hutton (H-551/80):

Will the Council now provide for the directly-elected European Parliament and the Press more detailed information on its discussions, including those on resolutions of the Parliament, and indicate, without naming the countries involved, the main lines of the majority and minority points of view?

**Mrs Flesch, President-in-Office of the Council.** — *(F)* As it indicated in its reply to Written Question No 1146/79 put by Mr Herman, the Council is always prepared, within the framework of the various existing procedures, particularly the Written and Oral Question procedures, to inform the European Parliament on the outcome of its proceedings on the understanding that his information is provided in conformity with Article 3 of the Council's Rules of Procedure, which provides that Council meetings are not public, and Article 18 of the same Rules on the confidential nature of the Council's deliberations.

As far as the press is concerned, the Council issues press releases after its meetings indicating the main topics discussed and the decisions taken. Furthermore, after each Council meeting the President-in-Office gives a press conference at which he answers the questions put to him.

**Mr Hutton.** — Would the President-in-Office of the Council tell us what possible disadvantage she could see ensuing if the Council were now to take a step towards a return to majority voting, as laid down by the Treaties and as promised at the Summit in Paris in December 1974, by indicating the majority and the minority points of view in Council discussions on Commission legislative proposals upon which Parliament has given an opinion?

**Mrs Flesch.** — I see no difficulty, but I am not sure that the Council sees none.

*(Laughter)*

**Mrs Kellett-Bowman.** — According to the information on the Council's doings which we get from the papers, the Council has agreed on a British initiative to instruct the Commission to put pressure on the United States to restrain its textile imports to the Community, which are produced by means of artificially cheap feed-stocks and are destroying the EEC textile industry. In view of the fact that the new Multi-Fibre Agreement and its accompanying . . .

**President.** — I am sorry, Mrs Kellett-Bowman, I am ruling you out of order on that. The question as stated by Mr Hutton concerns a purely functional matter relating to the relationships of the Parliament and the Council.

**Mr Sieglerschmidt.** — *(D)* Madam President-in-Office, do you agree that the Council is a legislative body in that it lays down binding laws for the European Community in the form of regulations and directives? Can you name one legislative body in a democratic country which regularly meets *in camera*.

**Mrs Flesch.** — *(D)* This is naturally one of the Council's jobs, but it does have other jobs as well. I know of many democratic countries in which the governments meet *in camera*.

**President.** — I call Mrs Kellett-Bowman on a point of order.

**Mrs Kellett-Bowman.** — The question by Mr Hutton was quite clear. It said, 'more detailed information on its discussions, including . . .', but by using the word 'including' it did not exclude other matters which the Council discussed. And I want to ask the President-in-Office of the Council what action has been taken to help the textile industry.

**President.** — As I have already explained, you are not entitled to ask it. If on a question like this I allowed supplementaries dealing with specific subjects, then it would be quite possible to have supplementaries on the whole range of activities. Your question is out of order. I am sorry.

**Mr Marshall.** — Does the President-in-Office not agree that the Council is currently renowned for its secrecy and slowness and that in fact it needs much greater democratic accountability and decisiveness?

**Mrs Flesch.** — This is what I have tried to do today.

*(Laughter)*

**Ms Clwyd.** — I think it is evidence of the concern we feel about the Council's secrecy that we keep on hammering this point. We as Members of Parliament continually have to rely on leaks about what went on in the Council. There are some subjects we shall be discussing tomorrow in the budget debate on which we have determined priorities, priorities we thought ought to be included in the budget. Will the President-in-Office tell me how we can determine what the argumentation of the Council is on these priority areas if we do not know what discussions took place?

**Mrs Flesch.** — I am quite aware of the concern of Parliament on this issue. However, I feel that Parliament is given many opportunities to discuss matters with Council, whether in the general report like the one I presented this morning, which may have been inadequate but which gave a certain amount of information, or in the discussion of Commission proposals when the Council is present and is ready to take a stand on issues. I would add, Mr President, that in most countries, as far as I know, governments also sit without publicity and then render an account to parliament, as the Council endeavours to do here.

**Mr Christopher Jackson.** — Would the President-in-Office agree that since the time of the Luxembourg Agreement the Council has increasingly adopted in practice the habit of seeking unanimity on non-vital issues which often gives rise to lowest common denominator decisions, often far removed from the desires of this Parliament, and would she be prepared to recommend that the Council should vote regularly and as a matter of course on all proposals where the Luxembourg Agreement is not invoked, rather than incur long delays?

**Mrs Flesch.** — As a former official of the Council before the Luxembourg Agreement, I can assure the honourable Member that the search for unanimity was always a characteristic feature of the work of the Council. Furthermore, as a member of a collegiate body at city level, my experience is that as soon as you have a collegiate body it is a sort of normal reaction to seek unanimity or at least general consensus. Yes, I would say that the tendency has been in the past to adhere more and more to the rule of unanimity.

**Mr Herman.** — (F) Madam President-in-Office, you were so kind as to mention my name, and you referred to the existing rules of procedure. However, as regards these very rules of procedure, I see in Article 18 that the Council may decide that its deliberations do not involve professional secrets. In that case I have two sub-questions: firstly, how often has the Council made use of this eminently democratic facility available to it by virtue of the Treaty itself? Secondly, in the light of the exchanges we have just had, which demon-

strate Parliament's interest in this question, how can we avoid confusing openness of the discussions and the supply of information to Parliament — for instance, that such and such a country or delegation has adopted such and such a stance for such and such a reason? The fact is that when we ask ministers in the national parliaments about their line of argument or position in Council discussions, they always give us the same answer. We are thus in the extraordinary position that they are accountable to no-one. What kind of democracy is this?

**Mrs Flesch.** — (F) On the first point, as far as I know the Council has hardly ever made use of this procedure. I may be corrected on this, but I think that is the case. At any rate, the number of occasions involved is probably not very great.

On the second point, the fact is that if the positions adopted at the end of each Council meeting were known — and this is what I was just trying to stress — this would undoubtedly make the discussions more difficult, since once a position had become known, it would be more difficult for a Member State to change its mind and adopt another position. This would thus introduce into the discussions an element of inflexibility which would not be conducive to constructive negotiations and efforts to achieve agreement.

One last point, Mr President. I myself am very much aware of the problem raised by Mr Herman at the end of his remarks — i.e. of the fact that the development of the Community has to some extent created a certain legal vacuum or a lack of democratic control; I am thinking in particular of agricultural prices, for which the national parliaments are no longer responsible, but in respect of which the European Parliament does not have all the powers of the national parliaments. We may regret this situation, but it is a product of the Treaties.

**President.** — I call Mr Paisley to speak on a point of order.

**Mr Paisley.** — Mr President, you ruled me out of order because I asked two supplementary questions. The previous speaker asked three and was given an answer to three. I think that if the rule is to apply to a Member for the United Kingdom, it must also apply to the whole Community.

*(Applause from certain quarters of the European Democratic Group)*

**President.** — I quite agree with you, Mr Paisley. However, yours were two very separate and specific questions. I am sure you would agree with that. You are a very honest man!

*(Laughter)*

**President**

We shall now consider the questions directed to the Foreign Ministers meeting in political cooperation.

Question No 79, by Mr Wurtz (H-584/80):

Is the practice of 'Berufsverbot' in the Federal Republic of Germany, which is applied to very many people on political grounds, compatible with the United Nations Charter and the European Convention on Human Rights, of which the Member States of the European Community are signatories?

**Mrs Flesch, President-in-Office of the Foreign Ministers.** — (F) The foreign ministers meeting in political cooperation have never discussed this subject, and the Presidency therefore regrets that it is unable to give the honourable Member a reply on behalf of the Nine.

**Mr Wurtz.** — (F) Madam President-in-Office, your reply is in line with the peculiar logic which says that, like the ministers, the European Parliament feels responsible for infringements of human rights only if they take place outside the Community. This prompts my supplementary question: how is it, Madam President-in-Office, that your reply omitted to mention the human rights situation in Northern Ireland, where hundreds of men and women like Annie Maguire are victims of the colonialist policy of successive British governments, of emergency courts, and are interned only because of their religion?

**President.** — Mr Wurtz, would you please confine your question to 'Berufsverbot', I am not allowing supplementary question beyond that.

**Mr Wurtz.** — (F) Far be it from me to infringe the Rules of Procedure of this House. I just think my supplementary is 'to the subject', since it concerns infringements of human rights in the nine countries of the European Community — a question to which no reply has ever been given.

**President.** — The question relates to a specific subject. You may remember that some time ago when the Irish presidency was in, someone asked a question about the Republic of Ireland and Mr Paisley naturally wanted to translate it to Northern Ireland. I refused to extend it from one country to another.

**Mr Balfe.** — Can I ask, Mr President, whether the question mentions the United Nations Charter and the Convention on Human Rights? I wonder how the practice of 'Berufsverbot' stands in relation to the free movement of labour within the Community, because surely a policy of equal opportunity of employment must mean that there has to be a certain consistency in the rules which are applied allowing people to enter employment, and the operation of a highly discrimina-

tory rule of 'Berufsverbot' in one Member State must put it considerably out of line with the practice in other Member States.

Is it, in short, in line with policies under the Treaty of Rome?

**Mrs Flesch.** — (F) I would remind Mr Balfe that political cooperation deals with particular subjects which all concern foreign policy.

**Mr Sieglerschmidt.** — (D) Madam President-in-Office, would it not be best to advise those involved to take individual proceedings to the Human Rights Commission in Strasbourg? This is unfortunately not possible for French citizens. Is it not remarkable that not one of those involved has yet done this?

**Mrs Flesch.** — (F) Mr Sieglerschmidt's suggestion does not come under political cooperation.

**Mr Israël.** — (F) Like Mr Sieglerschmidt, I think the Council could have drawn attention to the provisions of the European Human Rights Convention, under which any German citizen can take his case to the European Human Rights Commission. Problems involving human rights cannot be dealt with properly if the Council refuses to answer the questions. I am not in the habit of agreeing with the Communist Members, but this time I think they have a point.

*(Laughter from certain quarters on the far left)*

**President.** — I am the person who will rule as to whether it has point or not. This question specifically relates to the Federal Republic of Germany and has been admitted as such into this Question Time. The supplementary that was raised over there related to another Member State. That is why it is ruled out of order. If somebody wants to ask a question or table a motion on human rights in general or specifically, he can do so. All he needs to do in fact is to put it down on a piece of paper and submit it in the same way as Mr Wurtz has.

Question No 80, by Mr Balfe (H-549/80):

On 17 November 1979 Ms Eunice Dorothy Card was arrested at Frankfurt and is currently held in Frankfurt Prison (Prisoner No 931-GS-5861/79) awaiting trial.

Ms Card's daughter, aged nine years, is in the care of the local authority in Britain. The court hearing to decide her future has been adjourned and is now set down for late November. I have previously made representations to the German authorities and have visited the gaol with a view to having Ms Card's case brought before the courts at an early opportunity so that if she was discharged she might rejoin her daughter, and if she was not discharged, at least the child welfare authorities in the United Kingdom

**President**

would know the length of the custodial sentence imposed on Ms Card, when planning her daughter's future.

Will the Foreign Ministers accept that for this young woman to spend a second Christmas in gaol without knowing her fate is causing severe emotional distress to both her and her child and will the Foreign Ministers intervene, as a gesture of compassion, to attempt to secure Ms Card's trial on compassionate grounds before Christmas?

**Mrs Flesch, President-in-Office of the Foreign Ministers.** — (F) The case raised by the honourable Member has not been discussed within the context of European Political Cooperation. I am therefore not in a position to answer this question on behalf of the Nine.

**Mr Balfe.** — Can I point out to the President-in-Office that the reality of the EEC to many people boils down to the way in which it treats individuals. This is a case which has been taken up without success by me with the appropriate authorities in Germany and I am bringing it here as a parliamentarian who has been elected to an assembly which includes both Britain and Germany. If there is no way in which the Foreign Ministers meeting in political cooperation can be of assistance, can the President-in-Office suggest how Members who have grievances in other Member States can bring them to this forum in order for them to be discussed?

**Mrs Flesch.** — (F) I am afraid that I can only repeat what I have just said. Political cooperation covers certain subjects which all concern foreign policy, and political cooperation is certainly not the right framework for such a question to be put or for us to answer it. Moreover, the case raised by Mr Balfe is currently *sub judice*, and in accordance with the separation of powers the Council could not intervene in the procedure even if the question did concern it.

**President.** — If the Council does not deal with issues like this in political cooperation, I wonder why the question was admitted in the first place. I think this is very misleading to Members of Parliament. Are you absolutely sure that this type of question should be excluded? If you say it is not the province of the Council and we say these questions are admissible, either you are wrong, Madam President, or we are wrong, in which case it certainly requires correcting.

**Mrs Le Roux.** — (F) Madam President-in-Office, do you also think that the families of Mrs Maguire and the other Irish prisoners should also be left in anguish as Christmas approaches? I think this question is justified, since it involves the United Kingdom, and I wonder why this aspect of the matter was not mentioned in your speech this morning.

**Mrs Flesch.** — (F) I must repeat what I have told the House twice. When we discuss political cooperation, we are not deliberating as a Council. This is the first distinction to be made. Secondly, political cooperation covers certain subjects which all involve the Community's foreign policy. Events within the Community do not involve foreign policy.

This is why the government representatives meeting on political cooperation do not discuss this kind of question. In short, that is why I am unable to answer these questions.

**President.** — I call Mr Balfe to speak on a point of order.

**Mr Balfe.** — How, under the Rules of Procedure, can a question have been admitted to the order paper which Parliament clearly thought was within the competence of the Foreign Ministers — otherwise it would not have been admitted — when the Foreign Ministers meeting in political cooperation appear to think that this and the previous question do not fall within their terms of reference? I wonder whether, in the light of the rules of this House, consultation should not be undertaken to try and establish exactly what is within the ambit of Foreign Ministers meeting in political cooperation.

**President.** — Parliament says that this question is admissible and is within the sphere of responsibility of the Foreign Ministers. The Foreign Ministers meeting in political cooperation say it is not. I suppose we must now look on this as a specific issue.

**Mr Deschamps.** — (F) Madam President-in-Office, you have probably heard that, at the Ugandan elections, several leaders of the Ugandan Christian-Democratic Party were arrested and put in detention. If these reports are correct, can you tell me if the Foreign Ministers of the Nine . . .

**President.** — Mr Deschamps, we have now gone from Frankfurt to Uganda. I stopped Mr Wurtz going from Frankfurt to Northern Ireland. I am sorry. You really must speak to the question.

Question No 81, by Mrs Hammerich (H-585/80):

Have the Foreign Ministers, after stating in September that they attached the utmost importance to the freedom of navigation in the Gulf and were prepared to play a part in finding solutions to the problems there, discussed the possibility of any degree of coordination between naval units of certain Member States with a view to possible military operations in the Persian Gulf?

I would refer to President-in-Office Zamberletti's correct statement, during Question Time on 21 May that military

**President**

and security affairs lay outside the Community's terms of reference.

**Mrs Flesch, President-in-Office of the Foreign Ministers.** — (F) As formulated by the honourable Member, this question has not been discussed within the framework of political cooperation. I therefore regret that I am unable to reply to it on behalf of the Nine.

**Mrs Hammerich.** — (DK) The background to our question is not just the proposal for coordination of naval units, as approved by Parliament's Political Affairs Committee. There have also been reports in the press about detailed discussions between the foreign ministers on such military coordination, which is totally outside the competency of the Community and outside the Treaties. I am much relieved to hear that no such discussions have taken place, but I should like to know whether the President-in-Office agrees that security and military policy are outside the competence of the Community. The previous President-in-Office, Mr Zamberletti, said quite correctly — as I had pointed out in my question in May — that these subjects were not the responsibility of the Community. However, six months later in November your predecessor, Mr Thorn, said that Community political cooperation could not avoid touching upon security and defence when they were part of an overall question. What are we now to believe? What is the opinion of the President-in-Office? Are the Community institutions allowed to discuss matters of defence and the armed forces?

**Mrs Flesch.** — (F) A number of political questions such as defence and security are not covered by the Treaties. That is why the Council does not discuss them. However, the foreign ministers meeting in political cooperation do discuss political questions which are not actually covered by the Treaties.

Since defence and security are sometimes involved in political questions, it is inevitable that they are occasionally discussed in political cooperation.

**President.** — May I say, Madam President, that it seems to me rather futile to sit here chairing a series of non-questions and non-answers. Quite obviously, on this matter some kind of solution has to be reached, and I am going to ask the Secretariat if the matter can be taken to the Bureau of the Parliament to consider; because I would have thought that questions to the Foreign Ministers of the Nine Member States meeting in political cooperation came into the second category.

**Mrs Flesch.** — Mr President, with your permission I was going to suggest that this question might be raised at one of the next Bureau meetings and that I might

ask my successor to give instructions that the Council be enabled to participate at the Bureau meeting where such a discussion took place. I agree with you that somehow we must find a way of dealing with these questions.

**Mr Skovmand.** — (DK) Madam President-in-Office, you said that defence and security matters might occasionally be discussed at the meetings of foreign ministers, but what about the other Community institutions? Can they discuss such questions? For instance, can the European Parliament discuss them?

**Mrs Flesch.** — I must have expressed myself poorly and I apologize to the House for it. Matters of defence are on principle not dealt with. They may be touched upon incidentally.

**Mrs De March.** — (F) Since we are told that no answer can be given to certain questions closely concerning a number of discussions on defence matters, how will the Council react when Parliament comes to debate the Diligent report?

**Mrs Flesch.** — (F) I think there is some misunderstanding on this point. The reason I was unable to answer the question is that, in the form it was put by the honourable Member, it has never been discussed in political cooperation. As for the future reaction of the foreign ministers to a report to be debated by this House, here again I am unable to give you any answer, since I do not know what their attitude will be.

**Mr Radoux.** — (F) Madam President-in-Office, do you not think that, when questions of international policy are being discussed, it is inevitable that defence matters are touched upon?

**Mrs Flesch.** — (F) Such cases may arise.

**President.** — Question No 82, by Mr Israël (H-596/80):

The meeting which was held in Luxembourg on 12 and 13 November 1980 between representatives of the Arab League and representatives of the Nine and the Commission in order to prepare for resumption of the Euro-Arab Dialogue was attended by Doctor Ahmad Sedkit al Dajani, President of the Arab League. Can the Foreign Ministers say of which Arab state he is a national?

**Mrs Flesch, President-in-Office of the Foreign Ministers.** — (F) Under the procedure agreed between the Arab and European sides in Dublin in the first half of 1975, the Euro-Arab Dialogue comprises only an Arab

**Flesch**

delegation and a European delegation, each side being free to organize its delegation as it wishes. In accordance with this procedure, the Arab delegation at the meeting in Luxembourg on 12 and 13 November 1980 was composed — under its own system of rotation — of Dr Dajani, as representative of the Arab states, of one representative of the previous Presidency, i.e. Oman, of one representative of the next Presidency, i.e. Qatar, and of representatives of the General Secretariat of the Arab League.

**Mr Israël.** — (F) Your reply makes my supplementary easier. You thus admit that the Arab League comprises not only states. You have thus, by not answering my question, admitted that Dr Al Dajani is not a national of any Arab country, because — as you know better than anyone else — he is a member of the PLO, and the PLO currently holds the Presidency of the Arab League. We thus have the paradoxical situation that the Arab League is chaired by an organization which is not a state . . .

**President.** — Mr Israël, you are giving a statement. Please can you give a supplementary question?

**Mr Israël.** — (F) . . . All right then, do you accept that the principal Arab country, the one with the largest population and the one which has demonstrated its willingness to achieve peace — in other words Egypt — should not be involved at all in the Euro-Arab Dialogue?

**Mrs Flesch.** — (F) As far as I know, Egypt is not now a member of the Arab League. As I said before, in the Euro-Arab Dialogue there is an Arab delegation and a European delegation, with each side being free to choose the composition of its delegation.

**Mr Galland.** — (F) Madam President-in-Office, you gave the composition of the Arab delegation and gave the country of origin of two of the three members. Is it true that Dr Al Dajani belongs to the PLO?

**Mrs Flesch.** — (F) Yes.

**Mr Marshall.** — Can the President-in-Office of the Council tell us whether in these discussions with the Arab League the Community representatives made it quite clear that we find the Arab boycott quite abhorrent as it strikes both at freedom of trade and individual freedom which are the bases of this Community? If they did not make it clear then, can we have an assurance that the Community representatives will make it clear in the future that this boycott is quite offensive to our basic principles?

**Mrs Flesch.** — (F) I am in a somewhat difficult situation. Since I did not attend this meeting I can only reply to the question on the basis of information which has quickly been given to me. As far as I know, this first meeting was devoted purely to procedural questions, and there were thus no substantive discussion.

**President.** — I call Mr Provan on a point of order.

**Mr Provan.** — Last September I sent a question in writing to Mrs Flesch's predecessor in the Council. Unfortunately I have not yet had a reply. The question was of a very delicate nature concerning a constituent of mine who is held hostage in Iran. Because of the delicacy of the matter and the hostages of American origin, I did not necessarily want to bring up the matter on the floor of the House. But in view of the discussions due to take place between the Bureau and the Council I would ask you to bring the matter forward so that the whole gambit of relations between the Parliament and the Council can be discussed properly. I think it is quite intolerable that I have not yet even had an acknowledgement from the Council.

(Applause)

**Mrs Flesch.** — I should like to inform the honourable Member that steps are being taken. The situation, as he well knows, is rather confused in Tehran right now and matters are not at all that easy for us, due to the fact that most of the ambassadors of the Nine are no longer in Tehran. Thus the matter is extremely difficult. It is, as the honourable Member has said, delicate. We shall endeavour to give a written answer as soon as we have more information.

**President.** — Question Time is closed.\*

### 7. Urgent procedure

**President.** — I have received the following motions for resolutions with request for urgent debate, pursuant to Rule 14 of the Rules of Procedure:

- by Mr Davern and others, on behalf of the Group of the European Progressive Democrats, and Mr Clinton and others, on the crisis in agricultural incomes in Ireland
- by Mr Combe and others, on the creation at Community level of a European plan to provide relief in cases of disasters
- by Mr Maher, on behalf of the Liberal and Democratic Group, and others, on the current crisis in Irish farming

\* See Annex.

**President**

- by Mrs Castle and others, on farming
- by Mr Enright and others, on the meeting place of Parliament
- by Mr de la Malène and others, on strikes by prisoners in Long Kesh and Armagh prisons.

The reasons supporting these requests are contained in the documents themselves.

I shall consult Parliament on these requests for urgency at the beginning of tomorrow's sitting.

### 8. *Agenda for next sitting*

**President.** — The next sitting will take place tomorrow Thursday, 18 December, from 10 a.m. to 1 p.m., 3 p.m. to 8 p.m. and 9 p.m. onwards with the following agenda:

- vote on several requests for urgent debate
- vote on the draft amending and supplementary budget No II and the motion for a resolution contained in the Dankert report
- vote on the draft general budget for 1981 modified by the Council and on the motions for resolutions contained in the Adonnino and Ansquer reports

- vote on the motion for a resolution contained in the de Ferranti report on special Community aid for areas devastated by the earthquake in Italy
- vote on the motions for resolutions on the earthquake in Italy
- election of a Quaestor
- Hoff report on the ECSC levies
- continuation of the debate on the Bonaccini report on the European automobile industry
- Taylor report on Community loans
- Filippi report on free accession aid for Portugal
- Second Newton Dunn report on harmful exposure to metallic lead
- Ghergo report on social security schemes
- Van der Gun report on assistance from the European Social Fund to the shipbuilding industry
- Oral Questions with debate to the Commission on commercial transactions
- 3 p.m. Voting time

The sitting is closed.

*(The sitting was closed at 7.10 p.m.)*



## ANNEX

*Questions which could not be answered during Question Time, with written answers*

1. *Questions to the Commission*

*Question No 18, by Mr Pearce (H-539/80)*

Subject: Agricultural models

Will the Commission state what form of economic models it uses to forecast the consequences of its actions both in the agricultural sphere as a whole and in individual agricultural sectors, and how it would compare its techniques and performance in this field with those of the United States?

*Answer*

- From the Commission's replies to Written Question 517/80 and Oral Question 31 (H-113/79) in September, we have made it clear that we use a whole range of forecasting instruments to anticipate the consequences of our actions. However, uncontrollable factors (such as the weather) have a substantial effect on what actually happens.
- On the basis of discussions between our officials and those of the United States Department of Agriculture, we would not conclude that we are any less well informed of the likely out-turn of events.

The Commission would not presume to pass judgement on the success rate of the USDA forecasting service.

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*Question No 19, by Mr Walter (H-541/80): deferred*

*Question No 20, by Mrs Weber (H-542/80): deferred*

*Question No 21, by Mr Wettig (H-543/80): deferred*

*Question No 22, by Mr Van Minnen (H-544/80): deferred*

*Question No 23, by Mr Schmid (H-545/80): deferred*

*Question No 24, by Mr Muntingh (H-546/80): deferred*

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*Question No 25, by Mrs Barbarella (H-588/80, formerly O-64/80)*

Subject: Reports of alleged irregularities in the fixing of export refunds for agricultural surpluses

With reference to the reports circulated by various press organs of alleged irregularities in the management of the system of export refunds for agricultural surpluses, can the Commission state:

- 1 — whether there are any grounds for such reports:
- 2 — if so, what measures it intends to take?
- 3 — whether it considers it advisable to review the procedure for fixing refunds, and what criteria it intends to apply?

*Answer*

The Commission categorically rejects any insinuation that there have been irregularities in the management of export refunds.

The products referred to in press reports were malt, common wheat flour and animal feedingstuffs. In the case of malt, refunds are closely tied to the world market prices of barley and are fixed on the basis of a wellknown system which pays specific attention, in particular, to our average weekly imports of barley. The system, which faithfully reflects world market prices, has been in operation for some time and it was in operation in July 1980 when a considerable number of export licences (for approximately 700 000 tonnes) were issued. Contracts in the malt industry are normally negotiated at the beginning of the season and a considerable number of export licences was expected at that time. Furthermore, in May and June there was some pressure on the Commission to change the system of calculating refunds for malt in order to make them more advantageous. When the operators realized in July that they would not manage to convince the Commission to change the system, they accepted the situation and asked for the licences.

The situation was similar in the case of common wheat. For budgetary reasons a fairly low refund rate was in operation between 14 August and the beginning of October. In that month the Commission fixed operating refunds which were somewhat lower than the level which could have been expected on the normal basis of calculation. It was assumed that this could produce a considerable increase in export licences, in view of the fact that some of the major traditional export markets were seeking supplies.

In the case of animal feedingstuffs, the export refunds in operation on 24 October were in line with normal market conditions. If the operators had waited for a few more days, refunds fixed in the normal way would have been higher.

The Commission constantly supervises the procedure for fixing refunds and the rate of export refunds, and it will continue to do so. It must be remembered, however, that last year the Commission managed to reduce by a considerable amount the unit rate of export refunds for a large number of agricultural products, without any adverse effect on Community exports.

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*Question No 26, by Mr Schinzel (H-550/80)*

Subject: Transport of horses for slaughter

Is the Commission aware that when animals are transported in the Community, particularly horses intended for slaughter, at least 10 % of them die in a pitiful way during their miserable journey of several days — from exhaustion, hunger, thirst, or trampled to death by their terrified companions? What measures does the Commission intend to take, pursuant to the agreement signed by the Community partners on protection of animals for slaughter in international transport, to deal with those responsible for the anguish suffered by the horses during their last journey? Is the Commission also aware that there is a legal provision which expressly states that healthy horses 'may' not be exported from Greece, and yet horses with injuries which have clearly been inflicted intentionally (broken legs, loss of sight, etc.) arrive as animals for slaughter at Italian ports? What action does the Commission intend to take against the citizens of the new Community partner who are responsible for this situation?

*Answer*

Periodically the Commission receives allegations that horses are not being transported in accordance with the Community rules laid down to protect animals during international transport. In consequence the Commission has asked the Member States concerned to investigate the allegation and

ensure that the necessary actions are taken. Concerning transport between Italy and Greece, following complaints, the authorities in these countries were contacted and reminded of their obligations both as regards Community rules and those undertaken in respect of the European Convention on the protection of animals in international transport. Subsequently I understand that important improvements were put into effect for this trade.

As an additional step the Commission is pressing the Council to adopt its proposal establishing measures for the implementation of the existing Directive (77/489/EEC).<sup>(1)</sup> This should ensure further improvements to existing rules.

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*Question No 27, by Mr Doublet (H-554/80)*

Subject: Commission forecasts of trends in the price of petroleum products.

Since the conflict between Iraq and Iran seems to be developing into a protracted struggle, how in the Commission's view, will price trends for petroleum products be affected? Moreover, in view of the apparent tensions on the Rotterdam open market, would it not agree that it should abandon its previous policies and recognize that this test market should at long last be regulated so that a greater degree of consistency might be achieved in the interests of producers and consumers alike?

*Question No 35, by Mr de Lipowski (H-568/80)*

Subject: Stocks of petroleum products

What has been the situation with regard to stocks of petroleum products since the outbreak of war between Iran and Iraq; has there indeed been a fall in stocks or have states instead been inclined to increase their demand on the world market?

*Joint answer*

The shortfall in supplies caused by the loss of exports from Iraq and Iran is generally limited because of increased production by other countries. At the moment demand is greatly reduced thanks to the results of fuel-saving measures and the substitution of alternative sources of energy. Even with account taken of reductions in the existing high level of stocks, there is no reason to fear a general shortage, although certain countries and companies may experience difficulties for a short time.

During its meeting of 27 November 1980, the Council of Energy Ministers expressed its resolve to do everything in its power, in cooperation with the other industrialized nations, to avert any tension on the oil market in the coming months.

In reply to Mr de Lipowski's question on stocks, our most recent estimates suggest that withdrawals from stocks during the last quarter of 1980 will be about 8 million tonnes — approximately the equivalent of 6 day's consumption — more than withdrawals during the same period in 1979. The Council of Energy Ministers stated its firm intention to take significant measures to obtain assurances from the oil companies that withdrawals would be made from stocks in excess of the compulsory level of reserves (90 days) and that this would be done in a fair and balanced manner and without disturbing the market.

In reply to Mr Doublet's question, forecasts of how oil prices might develop over the coming months are a matter of guesswork, to say the least. We cannot foresee at the moment what decisions the oil-producing countries may take on the subject of official prices.

As has already been said, the governments of the Member States and of the other major industrialized nations have taken firm measures to reduce tension on the oil market and to avoid spiralling prices. The influence of prices on the Rotterdam spot market is less than imagined. After an increase in October and at the beginning of November, these prices have since dropped slightly and have remained stable for about the last ten days. Prices on the domestic markets have remained stable and have barely reflected the increase on the Rotterdam market. As to the question about the need for intervention, we do not consider it necessary under the present circumstances, but we do think it is vital to watch the market very closely.

<sup>(1)</sup> OJ C 41 of 14 February 1979, p. 4

Proposals submitted by the Commission to the Council and adopted at the last session include, in particular, the possible reintroduction — if events merited it — of an information service on the spot markets using similar arrangements as in 1979 and 1980 (Commission Market Analysis or COMMA) and a code of good conduct which those involved on the market — oil companies, traders and brokers — will be encouraged to adopt.

We feel that these various measures are adequate for the time being to control tension on the oil market. If the situation should nevertheless deteriorate, the Commission will lose no time in making the appropriate proposals to the Council.

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*Question No 28, by Mrs Fourcade (H-555/80)*

Subject: Interruption of the meeting between the Textiles and Clothing Trade Union Committee and the delegation from the Commission

Can the Commission explain why it interrupted its meeting with representatives of the Textiles and Clothing Trade Union Committee and what the main differences of opinion were that induced it to take such a course of action? When does it expect to resume negotiations with the representatives in question with a view to formulating an effective strategy preparatory to the conclusion of a new Multi-fibre Agreement?

*Answer*

1. The meeting of 30 October 1980 between the representatives of the Textiles and Clothing Trade Union Committee and the relevant Commission departments took place as part of regular consultation. These scheduled talks followed a jointly agreed agenda and were based on working documents which were drawn up by each side and of which the other side was informed one month before the date of the meeting.
2. The Commission did not interrupt the meeting for any reason whatsoever. At the beginning of the meeting the union committee representatives asked the Commission delegates to make a political statement of intent in connection not only with the renewal of the Multi-fibre Agreement but also with its 'improvement'.
3. A statement on improving the arrangement could not be made, since the Commission has not yet reached a decision on the matter.
4. As the Union Committee representatives had not obtained the undertaking they desired, they stated that it was pointless to continue the talks.

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*Question No 29, by Mr Vie (H-557/80)*

Subject: Explanation of the divergent trends in consumer prices in the nine Community countries

Can the Commission explain why consumer price trends in the nine countries of the Community have differed so markedly over the past two or three months?

*Answer*

Since May 1980, the divergence in consumer prices in the Community, measured on the basis of the situation in the various countries relative to the Community average, has been decreasing and this trend will probably continue in 1981

Nevertheless, there is still a great discrepancy, of 16 points, between the highest rate of increase and the lowest within the Community. This divergence, which has been fluctuating between 10·3 and 17·5 points since 1974, is to a great extent due to the different ways in which the various economies of the Member States have reacted to blows from outside such as, in particular, the series of oil price increases.

These differences — which vary in intensity from one country to another, can be put down to a whole series of factors including the relative importance of crude oil in their energy supplies, the relative proportion of imported crude oil in the total crude oil supplies, the levels of indirect taxation and the extent to which wages were adjusted in the light of the increases in consumer prices. The differences in the monetary policies pursued and, in particular, the results achieved by the measures taken with a view to stabilizing the external value of money in a period characterized by balance of payment deficits, are also very important. It is the interaction of the effects of these factors which results in the divergent trends in consumer prices in the Member States of the Community.

With the introduction of the European Monetary System, the Community has a monetary instrument which must contribute towards a progressive reduction in the divergence of prices and costs. Thanks to the mechanism for restricting bilateral fluctuations, on the one hand, and, on the other hand, the divergence threshold, it has proved possible to achieve an approximation of the exchange rates of the currencies belonging to the EMS. What we need now is greater convergence of labour costs which, in the case of those countries where the rise in wages have been far greater than the average for the Community, will call for a considerable reduction in the rates of wage increases.

For the rest, I would refer the honourable Member to Chapter 2 of the Annual Economic Review for 1980-81 for further information regarding the developments in prices and costs.

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*Question No 30, by Mr Fanton (H-559/80)*

Subject: Level of agricultural producer prices for the 1981-82 marketing year

Does the Commission intend to take account of the very substantial increase in 1979 in both agricultural capital equipment and in the ordinary consumer goods and services essential to agriculture in its price proposals for the 1981-82 marketing year? Moreover, will its proposals make allowance for the need to bring farm incomes up to the level of incomes of other categories of the working population?

*Answer*

The Commission is currently preparing its price proposals for the 1981-82 marketing year. It will take account of a number of economic and financial factors, such as market balance, budgetary constraints, trends in farm incomes and the general economic situation. These price proposals will fit in with the Commission's ideas regarding the future common agricultural policy.

All these factors will be considered by the Commission when preparing the proposals to be submitted to the Council at the beginning of 1981.

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*Question No 31, by Mrs Squarzialupi (H-561/80)*

Subject: Antibiotics contained in frozen products

A new danger to the health of the consumer has been discovered in Italy, namely the presence of an antibiotic — tetracycline — in certain packets of frozen fish which, as a precautionary measure, were immediately impounded. What measures does the Commission intend to adopt to ban the practice of including antibiotics in frozen foods and in other products (such as cheese) to prevent them from perishing?

*Answer*

1. The events concerning certain frozen fish products to which the honourable Member refers stem from an error in interpreting the results of the analyses. This is what emerges from the information which the Commission has been able to obtain from the Italian authorities.

After a series of tests carried out by the Istituto Superiore della Sanità to check whether there was any trace of tetracycline or other antibiotics in frozen products throughout the country, the Minister for Health, Mr Aniasi, stated during a news programme on the first channel (during the week beginning 17 November 1980) that the products in question had not been treated with antibiotics.

2. The use of antibiotics to preserve foodstuffs, including frozen foods, is generally forbidden by Community legislation on preservatives.
  - a) However, following a favourable opinion delivered on 31 October 1979 by the Scientific Committee for Food<sup>1</sup>, the Commission may shortly authorize natamycine (synonym: pimarcine) for restricted use in the rind of certain cheeses and the skin of certain types of salami.
  - b) Legislation on the use of another antibiotic, nisin, which is used to preserve processed cheeses, is left to national authorities.

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*Question No 32, by Mrs Ewing (H-563/80)*

Subject: The common fisheries policy

Will the Commission comment on the up-to-date situation in negotiations for a common fisheries policy?

*Answer*

At its meeting of 15 and 16 December 1980, the Council of Fisheries Ministers was expected to approve decisions which will ensure the entry into force of a common overall policy in the fisheries sector on 1 January at the latest, in accordance with the Council Resolution of 30 May 1980.

With this aim in view, the Council received from the Commission all the necessary proposals in the various areas of the fisheries policy:

- Community system of conservation and management of resources based on the fixing of total admissible catches and quotas, as well as technical and inspection measures;
- structural policy;
- review of the common organization of the market in fishery products.

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*Question No 33, by Mr Moreland (H-565/80)*

Subject: Redundancy payments

Does the Commission believe that the level and method of payments to employees made redundant in the Community should be harmonized and does the Commission intend to produce proposals to this effect?

*Answer*

In answering this question, a distinction must be made between statutory and contractual redundancy payments.

<sup>1</sup> Report of the Scientific Committee for Food, 9th series 1979, p. 23.

There are in fact great differences between the Member States and between the various sectors within the Member States as regards redundancy pay arrangements. In some countries, the emphasis is placed on protecting the terms of employment whereas in others aid in the case of unemployment is foremost. The Commission does not intend to make proposals dealing specifically with this aspect of social security with a view to harmonizing these arrangements.

In the case of workers in the industries, covered by the ECSC, of coal mining and steel industry, however, the Commission does in fact have some influence on the payments, albeit an indirect one. In spite of the fact that these payments still for the most part depend on legislation and special agreements between the Government, the employers and the workers, a proportion of the aid is provided by the Commission on the basis of Article 56 (2) (b) of the ECSC Treaty. Since the Commission determines its proportions on the basis of the same criteria for each country, as for example, in the case of the victims of the crisis in the steel industry, this will, at least in the somewhat longer term, undoubtedly have a certain harmonizing effect on the total retraining payments.

*Question No 34, by Mr Clement (H-567/80)*

Subject: EEC-Argentina relations

Why does Argentina not wish to renew its agreements with the EEC?

*Answer*

There are two aspects to the reasons given to the Commission by Argentina:

- The first concerns the fact that the conditions of the 1971 trade agreement on beef are included (and indeed improved) in the international arrangements which were decided during the multi-lateral GATT talks (Tokyo Round).
- The second aspect concerns the proposal, submitted by the Commission to the Council, for a regulation excluding parts of the hind legs of high quality from total or partial suspension of the levy on frozen meat destined for the processing industry.

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*Question No 35: see Question 27 above*

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*Question No 36, by Mr van Aerssen (H-572/80)*

Subject: Association Agreement with Cyprus

Now that the Commission has requested the Council to give it a mandate to negotiate the second stage of the Association Agreement with Cyprus, why did the Commission not at the same time inform the European Parliament and its appropriate committee of this important step, notwithstanding the fact that repeated calls have been made for greater cooperation between the Community institutions?

*Answer*

In his oral question on Cyprus the honourable Member refers to the development of institutional procedures. It should be remembered that, in accordance with the Luns procedure which applies with regard to association agreements, a debate may be held in Parliament before negotiations with a third country begin; secondly, during negotiations close contact is maintained between the Commission and the appropriate parliamentary committees; and lastly, before an agreement with a third country is signed, the Council must inform Parliament of its substance. Consequently, the moment has not yet arrived to inform Parliament or the appropriate parliamentary committee.

The Commission would like to take this opportunity, however, of commenting on the Cyprus question. The basic issue with which we have again been concerned since the beginning of the year is determining the advisability of initiating next year the procedure for customs union which has been requested by Cyprus. The Commission in fact has proposed moving on to the second stage but it did not think it was advisable to initiate the procedure for customs union as early as 1981.

A political solution at Community level emerged at the Council meeting of 24 November. This solution was adopted on the same day as the common guideline of the EEC-Cyprus Association Council. The second-stage procedure will in fact start on 1 January 1981 but will not involve the customs union.

Talks were held on this basis on 4 December and led to an agreement on a Protocol for 1981. A copy of the Protocol will be submitted to Parliament shortly.

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*Question No 38, by Mrs Roudy (H-573/80)*

Subject: Sterilization of women exposed to lead

An American chemicals company, the Bunker Hill Company, has recently been fined \$ 10 000 by the American Occupational Safety and Health Authority (OSHA) for pursuing a recruitment policy which stipulates that women workers must be sterile in order to be accepted for jobs involving exposure to lead.

In the light of this information, is the Commission prepared to propose standards for protection against the risks associated with exposure to lead, applicable equally to men and women, and to ensure that women who are likely to occupy jobs involving exposure to lead are not faced with the alternative of either having themselves sterilized or not being accepted for the jobs in question?

*Answer*

I wish first of all to express my astonishment at the nature of the problem which has been mentioned. However, the subject of women exposed to lead will be discussed in greater detail when the Newton Dunn report is considered.

The Commission is fully informed about the Bunker Hill Company affair and is well aware that protective measures can be misused in a totally unacceptable fashion, as the honourable Member indicates in her question. It is not the view of the Commission that protective measures should not be taken because of their possible misuse. Measures should be taken to forestall any misuse. The Commission consequently feels that the limits set for women in child-bearing age must be maintained.

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*Question No 38, by Mr Hume (H-576/80)*

Subject: Commission proposals to assist farming in Northern Ireland

In view of the difficulties which have arisen over the second part of the Commission's recent proposals to assist farming in Northern Ireland, will the Commission propose instead a transport subsidy to assist the carriage of grain for animal feedstuffs from areas of the Community where there is a surplus production to Northern Ireland?

*Answer*

The Commission expects the Council to reach a decision on the entire structural package in the very near future. In the circumstances, it does not see any need to replace the second measure relating to Northern Ireland by an entirely new proposal at this point in time.

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*Question No 39, by Mr Ruffolo (H-580/80)*

Subject: Earthquake in southern Italy

Will the Commission be setting up a special fund of a size commensurate with the scale of the disaster in southern Italy to enable it, through a regulation, to assist in the reconstruction of infrastructures and the architectural heritage?

*Answer*

On 3 December 1980 the Commission decided to submit a draft supplementary budget for 1980 of 40 million EUA to supplement the token aid of 1.5 million EUA which had been allocated immediately.

In addition, the Commission also decided on 3 December to submit a letter of amendment to the preliminary draft budget for 1981 concerning the measures required to provide Italy with a loan of 1 000 million EUA raised by the EIB and the Community through the use of NCI loan facilities. The Commission submitted a proposal for an interest subsidy of 3 % for a maximum period of 12 years and for a global arrangement of approximately 195 million EUA (20 million EUA to be covered by the 1981 budget).

The total of 40 million EUA from the 1980 budget will be used as emergency aid to be determined in accordance with the requests by the Italian authorities, whereas the loan of 1 000 million EUA will be used for longer-term reconstruction work to be decided by the same authorities.

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*Question No 40, by Mr Hord (H-581/80)*

Subject: Refunds on the export of agricultural products to Iran

During the debate in the European Parliament on 13 December 1979 on the amending and supplementary budget No 3 for 1979 Mr Gundelach, the Vice-President of the Commission, stated '... that for the time being, as I already said, there are no exports of butter to Soviet Russia, there are no exports to Iran.'

In answer to written question No 408/80<sup>1</sup> by Mr Dankert on the subject of refunds on the export of agricultural products to Iran, Mr Gundelach on behalf of the Commission drew the Honourable Member's attention to the attached table showing a total of 254 m ECUs of this total relating to butter, just over a third of which was exported in the last quarter of the year.

Would the Commission confirm which of these two statements is the correct one?

*Answer*

When Mr Gundelach made his reply on 13 December 1979, the data at his disposal showed that, at that point in time, there were no prefixations of export certificates for butter destined for Iran. This was what he had in mind when he said that there were no sales, since such sales would normally be carried out on the basis of prefixed export refunds.

Exports refunds had been suspended temporarily on November 8 and then reduced to a level which normally precluded further sales for the rest of the year.

There is always a time lapse between the prefixation of export certificates and the physical delivery of butter to the buyer. The system is, in fact, designed to assist operators in forward planning of their sales. This time is reflected in trade statistics such as those given to Mr Dankert.

The figures given for the last quarter of 1979 arose from commitments concluded before the change in the export refund, as deliveries continued to be made after that time on the basis of export certificates previously prefixed.

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<sup>1</sup> OJ No C 201, 6. 8. 1980, p. 18.

*Question No 41, by Mr Normanton (H-582/80)*

Subject: Experts

The Commission rightly calls upon outside expert help on a great range of matters on which it lacks technical knowledge. One area in which it bases its judgements on such external advice concerns its decisions on whether or not to provide financial support for demonstration projects in the energy sector.

Is the Commission aware of the fact that some of the experts it consults are connected with organisations which themselves submit projects and that, given the limited financial resources available from the Commission, there may be a conflict of interests. What action does the Commission propose to take to ensure that the experts it consults do not discourage applications for financial assistance from firms and individuals with whom these consultants are not linked?

*Answer*

The Commission's services seek the advice of external consultants in the evaluation of certain particularly technical proposals for the energy-saving demonstration programme. Experts are chosen on the basis of their technical knowledge, and commit themselves in writing to respect the confidentiality of the information they provide. Their advice is only one of various elements taken into consideration in the evaluation of such proposals. Proposals are also examined by various Commission services including the JRC's technical support team and the Consultative Programme Management Committee, whose members are Member States' representatives.

On the basis of the experience gained in the course of the last two tenders, and of the 600 projects received and examined, the Commission has not experienced any conflict of interest of the kind referred to by the Honourable Member. The Commission will continue, as it has done in the past, scrupulously to check the way such consultants are chosen and to make sure that professional ethics are respected.

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*Question No 42, by Mr Albers (H-583/80)*

Subject: Visa requirement for Turkish workers

Will the Commission endeavour to secure changes in respect of the particularly harmful effects of the policy pursued by various Member States in the matter of visa requirements for Turkish workers, especially for the benefit of those who, because of their prolonged stay in the European Community and contribution to productivity, deserve to be regarded as fellow European citizens and to be given permanent residence and work permits.

*Answer*

The imposition of visa requirements on Turkish nationals in certain Member States was discussed at the meeting of the EEC-Turkey Association Committee on 3 December 1980. The spokesman of the Community said on that occasion that, with due regard for international obligations of which the EEC-Turkey Association Agreement was a part, the entry of non-EEC citizens to the territory of a Member State was the exclusive responsibility of each Member State. It was stated that the Member States in question had contacted the Turkish authorities in order to clarify the matter which had arisen. The Commission understands that the Turkish workers in the categories in question, i.e. those with a residence and work permit, should as a rule experience no difficulty in connection with visa requirements.

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*Question No 43, by Mrs Lentz-Cornette (H-539/80): deferred*

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*Question No 44, by Mr Collins (H-590/80)*

Subject: Toxic Shock Syndrome

Is the Commission aware that a newly identified, sometimes fatal illness called Toxic Shock Syndrome has been linked in the U.S. with tampons and that there is growing concern among women in Britain about the possible dangers of the use of tampons?

Would the Commission state what proposals they intend to implement, if any, to allay the fears of thousands of women concerned about tampon-related toxic shock?

*Answer*

The toxic syndrome is due to an infection by staphylococcus aureus and appears to be related to the use of certain brands of tampons. The Commission intends to keep the situation under review and will take appropriate action if the circumstances warrant it.

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*Question No 45, by Mr Cottrell (H-592/80)*

Subject: Product liability

According to the explanatory statement of Art. 2 of the Draft Directive on product liability producers, whose contribution to a defect product is not defective, are not liable under the Directive. Does the Commission accept that this exclusion includes printers who have printed a text correctly even if it contains a defect — and if so will the Commission amend the Draft Directive accordingly to avoid all doubts?

*Answer*

The Commission takes the view that a printer who correctly prints a text in accordance with his customer's instructions would not be fixed with strict liability under the amended proposal for a directive on liability for defective products, even though the print work done by the printer reproduced an error which already appeared in the text from which he was to make his print. This does not mean that the printer will cease to be liable for his own negligence under rules of national laws.

The Commission considers, however, that the text of the directive should not be overlaid with exclusions relating to various sectors of the economy.

The reason for this is that a directive fixes only the relevant principles of law and leaves the detail to be completed by the national legislation adopted in implementation of it.

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*Question No 46, by Mrs Desmond (H-595/80)*

Subject: Delay in decisions relating to disadvantaged areas schemes

Can the Commission say what are the reasons for the delay, and how soon can a decision be expected relating to the extension of the disadvantaged areas scheme to various regions in Ireland, in particular Mid-Cork?

*Answer*

The less-favoured areas of the Community are defined in accordance with the criteria laid down in Article 3, paragraph 4 of Directive 75/268 EEC on mountain and hill farming and farming in certain less-favoured areas. The areas of Ireland which satisfy these criteria have been outlined in Council Directive 75/272/EEC of 28 April 1975 concerning the Community list of less-favoured farming areas within the meaning of Directive 75/268/EEC (Ireland).

In accordance with Article 2 § 3 of Directive 75/268/EEC as amended by Directive 80/666/EEC of 24 June 1980, the limits of the less-favoured areas may be extended at the request of the Member State concerned, but the total area of this extension may not exceed 1.5 % of the total utilized agricultural area of that Member State.

A further extension to the list of less-favoured areas in Ireland as recently requested by the Irish government received a favourable opinion by the standing Committee on Agriculture Structure on 4 December 1980, and a final decision by the Commission is awaited. This extension does not however apply to Mid-Cork, as this area does not satisfy the necessary conditions for classification as a less-favoured area as laid down in Article 3, § 4 of Directive 75/268/EEC.

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*Question No 47, by Mr Clinton (H-597/80)*

Subject: Export Refunds

Does the Commission accept that the structure of export refunds on live cattle and beef products from the Community is such as to militate against the processing of beef in Ireland, by favouring of exportation of the raw material. Accordingly is the Commission prepared to alter the structure of export refunds on the different products, ie. live cattle, carcass, boneless beef etc. in order to correct this distortion?

*Answer*

The Commission does not accept the premise in the question.

There are common refunds for exports of live animals and meat from the Community. The system is therefore not discriminatory against the Irish meat industry. The refunds for live animals and meat are based on the difference between the Community price and the world market price for each product.

The structure and levels of the refunds are continually under examination by the Commission, with the cooperation of the Member States.

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*Question No 48, by Maffre-Baugé (H-598/80)*

Subject: Manufacture of alcoholic blends imitating wine

As a result of fraudulent practices, products not entitled to the designation 'wine' are marketed in the Member States of the EEC despite the provisions of current legislation which specify that these products can only be marketed in third countries. Does the Commission not therefore consider that there is a need for Community legislation prohibiting the manufacture of alcoholic products imitating wine?

*Answer*

The Commission does not think that it is either necessary or possible to prohibit the manufacture of alcoholic beverages which are consumed in place of wine in certain Member States. It has nevertheless decided to pay careful attention to ensure that there is no risk of any confusion with wine in the description of these beverages.<sup>1</sup>

If the beverage in question is obtained fraudulently by imitating wine, it is not covered by the provisions of the wine sector and Directive 79 / 112 /EEC applies. Article 2 (1)(a) of this directive forbids

<sup>1</sup> See Article 16 (4) of Regulation (EEC) 338/79 as amended by Regulation (EEC) 459/80.

the use of labelling which could mislead the purchaser, in particular as to the nature and identity of the beverage.

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*Question No 49, by Mr Radoux (H-600/80)*

Subject: European Monetary System

Can it be inferred from the communiqué of the Heads of State and Governments published at the Luxembourg summit on 1 and 2 December 1980 that the European Monetary System will not become institutionalized as planned in March 1981, and is it true that it has already been decided to defer by two years, from 1981 to 1983, the transition from the '1979 arrangement'?

*Answer*

In the communiqué published on 2 December 1980 the European Council reaffirmed its determination to continue strengthening the European Monetary System until it reached the institutional stage at the right moment. In these circumstances the Committee of the Governors of the Central Banks of the Member States of the European Economic Community, meeting in Basel on 8 and 9 December, renewed the 'revolving credit' arrangements whereby gold and dollars are exchanged for ECUs. The renewal period is for another two years, until 13 March 1983, unless the institutional stage is introduced. This decision in no way prejudices the date which the Council might choose for the introduction of this stage.

Similarly, with a view to maintaining all the agreements on the initial stage of the EMS in force, the Commission submitted a proposal to the Council for an extension until 31 December 1982 of the agreement on medium-term financial assistance.

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## *2. Questions to the Council*

*Question No 58, by Mr Seal (H-307/80)*

Subject: Aid for crisis-hit industrial sectors

In view of the extremely serious situation in certain sectors of Community industry, in particular textiles, will Council now approve the Commission's proposed regulation on industrial restructuring and conversion operations which it has had before it since 31 October 1978, and given the fact that Parliament has on a number of occasions given a favourable opinion on proposals in this area, will Council give them first priority in future?

*Answer*

The Council gave close consideration in 1979 to the proposal for a regulation on Community intervention measures for restructuring and conversion operations, submitted by the Commission. In view of various reservations on the proposal, it was not agreed to by the Council and has not been discussed any further since December 1979.

However, it should be pointed out that on 20 December 1979 the Council adopted a regulation on Community intervention measures for industrial restructuring and conversion operations in the man-made fibre industry. The purpose of exceptional measure was by providing financial assistance of about 14 MEUA, to respond to the serious situation in that industry and was designed in particular to help in reducing excess production capacity.

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*Question No 63, by Mr Welsh (H-526/80)*

Subject: Renegotiation of the Multi-fibre Agreement

Further to the Council's written answer to my oral question (H-412/80),<sup>1</sup> would it give an assurance that Parliament will be consulted on the content of the Commission's mandate before negotiations begin and not as a mere formality after they have been concluded?

*Answer*

When the Multi-fibre Agreement is renegotiated, the Council intends to comply, as indeed it did for the first arrangement of this type, with the so-called Westerterp procedure. With respect to the stage preceding the *opening* of negotiations, this procedure provides that: 'prior to the opening of negotiations concerning a trade agreement with a third country and in the light of the information supplied by the Council to the competent committees of the Parliament, a debate could, where appropriate, be held in the European Parliament.'

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*Question No 65, by Mr Van Aerssen (H-547/80)*

Subject: Right of Tunisia to be consulted on decisions on the enlargement of the Community

What is the Council's attitude to the request by the Tunisian Government to be consulted on decisions concerning the enlargement of the European Community?

*Answer*

At the last meeting of the EEC-Tunisia Cooperation Council, the Tunisian delegation voiced its concern regarding the effects of the enlargement of the Community to include Spain and Portugal. The Community undertook to take account of these observations in its work on the consequences of this enlargement for third countries.

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*Question No 70, by Mr Fanton (H-560/80)*

Subject: Voluntary restraint on exports of manioc by Thailand

Would the Council not agree that the ceiling of 5 million tonnes per annum that the Thai Government intends to fix for its exports of manioc is too high, bearing in mind that, although this amount approximates to the present volume of imports into the Community, it bears no relation to the quantities imported two or three years ago?

*Answer*

The Council yesterday adopted a decision authorizing the Commission to finalize its negotiations with Thailand regarding a voluntary restraint agreement on manioc. This decision was based on the draft agreement initialled on the occasion of Mr Gundelach's visit to Bangkok last October. It is the aim of both the Community and Thailand to see to it that this agreement can come into force as soon as possible.

At the same time, the Council has invited the Commission to make arrangements with the other principal manioc exporting countries with a view to restricting their exports to the Community, either by voluntary restraint agreements or by means of negotiations under Article XVIII of GATT with a view to revising the Community tariff concession on manioc roots. The Commission will report to the Council on these two possibilities as soon as possible.

<sup>1</sup> Debates, Report of proceedings, 15 October 1980, Provisional edition.

Obviously, in accordance with the procedures governing the relations with this Parliament regarding commercial agreements, the Presidency will inform the relevant committees of the substance of these agreements.

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*Question No 72, by Mr Schwartzberg (H-570/80)*

Subject: Ratification by France of Article 25 of the European Convention on Human Rights (Individual right of petition)

In view of the growing number of cases to which no satisfactory legal solution has been found or is likely to be found (the *Canard Enchaîné* bugging affairs, the Delpy affair, etc), do the Ministers not intend to recommend that the French authorities should at last, like the other eight Member States, ratify Article 25 of the European Convention on Human Rights which allows persons who have exhausted all domestic remedies to submit an individual petition to the European Court of Human Rights?

*Answer*

The Council of the European Communities takes the view that it is a matter for Community Member States alone, as Contracting Parties to the Convention for the Protection of Human Rights and Fundamental Freedoms, to decide whether, and for how long, they should subscribe to the declaration provided for in Article 25 of that Convention.

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*Question No 74, by Mrs Lizin (H-575/80)*

Subject: Financing of investment in nuclear power stations

Does the Council consider that the European Investment Bank is acting in accordance with its objectives by financing the two new and highly controversial nuclear power stations in Belgium, Doel 3 and Tihange 2, at a cost of Bfrs 5 000 million, and does it not consider that the Bank's financial resources should be utilized primarily for development objectives in those sectors where Community aid is a decisive factor, since electricity undertakings find no great difficulty in arranging finance for their investment?

*Answer*

It is not for the Council to state its views on the financing decisions taken by the European Investment Bank. By virtue of its Statute, the latter is a body which is independent from the Community Institutions, particularly from the Council.

It should be noted, however, that the reduction of the Community's dependence as regards energy, particularly by developing alternative energy sources, is one of the Community's priority objectives, as the European Council has emphasized on a number of occasions.

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*Question No 76, by Mr Purvis (H-593/80)*

Subject: Electricity tariffs

Has the Council considered and agreed to the Commission's recommendation on electricity tariff structures in the Community (Doc COM (80)356 final) of 26 June 1980 as amended by the Commission following discussions by the Council's working party?

*Answer*

At its meeting on 27 September 1980, the Council held a policy debate on the draft recommendation on electricity tariff structures in the Community, and noted that there were no objections to the draft.

The Council will discuss the matter afresh in the light of the Opinion which the European Parliament is to deliver.

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*Question No 77, by Mr Kavanagh (H-594/80)*

Subject: Sugar industry in Ireland

At the recent meeting of 10 and 11 November, of the Council of Agriculture Ministers, at which was discussed the Community's sugar policy, did the Council give consideration to the significant contribution made by the Irish sugar industry to the Irish economy, particularly in terms of the provision of employment, in agriculture, in its factories and in downstream industries, and also did it note the serious implications of the Commission's recent proposals for the future of this industry in Ireland?

*Answer*

In its discussions on the formulation of the new Community sugar policy, on the basis of the proposal for a regulation which the Commission forwarded to it on 30 September 1980, the Council continues to bear in mind Ireland's special situation.

I would like to emphasize that it appears highly desirable for the European Parliament to deliver its Opinion on the proposal at the earliest opportunity. The Council has, moreover, asked for application of the urgency procedure in this connection.

The Council is anxious to adopt a position in the very near future, given that any delay is detrimental to producers and consequently to the sugar industry.

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*Question No 78, by Mr Radoux (H-599/80)*

Subject: Report to the European Parliament on the outcome of the Luxembourg meeting

At its last meeting in Luxembourg the European Council followed the usual procedure, which means that Miss Flesch, as Luxembourg's Minister for Foreign Affairs and President-in-Office of the Council of Ministers, will report to the European Parliament on the outcome of the Luxembourg meeting.

Why does the European Council not present its report through the President of the European Council, Mr Werner?

*Answer*

The President-in-Office of the Council reported to the European Parliament on the outcome of the European Council meeting in Luxembourg in accordance with the procedure which has always been followed in the past.



## SITTING OF THURSDAY, 18 DECEMBER 1980

## Contents

1. Approval of minutes . . . . .	193	<i>Mr Adonnino, rapporteur</i> . . . . .	206
2. Documents received . . . . .	193	<i>Mr Arndt; Mr Adonnino; Mr Arndt; Mr Adonnino</i> . . . . .	207
3. Decision on urgency:		<i>Point of order: Mr Balfe</i> . . . . .	208
<i>Sir Henry Plumb; Mr Gautier; Mr Davern; Mr Combe; Mr Mabey; Mrs Castle; Mr Klepsch; Mr Rogers; Mr Enright; Mr Klepsch; Mr Lalor; Mr Capanna; Mr Paisley; Mr Glinne; Mr Scott-Hopkins; Mr Blaney</i> . . . . .	193	<i>Explanations of vote: Mr Arndt; Sir Frederick Warner; Mr Gouthier; Mrs Gaiotti de Biase; Mr Bangemann; Mr Romualdi; Mr Ansquer; Mr Balfe; Mr Konrad Schön; Mr J.M. Taylor; Mr Chambeiron; Mr Bonde; Mr Brøndlund Nielsen; Mr Motchane; Mr Delatte; Mr Capanna; Mr Patterson; Mr Cohen; Mr Johnson; Mr Coppieters; Mr Colla</i> . . . . .	209
4. Supplementary budget No 2 for 1980 (vote):		<i>Mr Tugendhat (Commission)</i> . . . . .	217
<i>Mr Dankert, rapporteur</i> . . . . .	197	<i>Point of order: Mr Lange</i> . . . . .	218
<i>Points of order: Mr Israël; Mr Balfe; Mr Coppieters</i> . . . . .	199	<i>Rejection of the motion</i> . . . . .	218
<i>Mr Lange; Mr Santer (Council); Mr Scott-Hopkins; Mr Lange; Mr Tugendhat (Commission); Mr Santer</i> . . . . .	199	<i>Points of order: Lord Harmar-Nicholls; Mr Patterson; Mr Adonnino; Mr Lange</i> . . . . .	
<i>Adoption of the resolution</i> . . . . .			
5. Letters of amendment Nos 2 and 3 to the 1981 draft general budget (vote) . . . . .	201	7. Agenda . . . . .	219
<i>Adoption of two draft amendments by the Committee on Budgets</i> . . . . .	201	8. Votes . . . . .	219
6. General budget of the European Communities for the financial year 1981 (Doc. 1-670/80) — Reports by Mr Ansquer (Doc. 1-706/80) and Mr Adonnino (Doc. 1-705/80) (vote):		<i>de Ferranti report (Doc. 1-733/80): Earthquake in Italy:</i>	
<i>Mr Ansquer, Mr Adonnino, rapporteurs</i> . . . . .	201	<i>Explanation of vote: Mr De Pasquale</i> . . . . .	219
<i>Point of order: Mr de la Malène</i> . . . . .	203	<i>Points of order: Mr Beyer de Ryke; Mr de Ferranti, rapporteur</i> . . . . .	219
<i>Consideration of proposals for outright rejection:</i>		<i>Motion for a resolution (Doc. 1-738/80) by five political groups and Mrs Castellina: Earthquake in Italy:</i>	
<i>Mrs Bonino; Mr Martin; Mr de la Malène</i> . . . . .	203	<i>Adoption of the resolution</i> . . . . .	220
<i>Rejection of the proposals for outright rejection</i> . . . . .	205	<i>Point of order: Mr Prag</i> . . . . .	220
<i>Explanation of vote: Mr Romualdi</i> . . . . .	205	<i>Motion for a resolution (Doc. 1-743/80/rev.) by Mr Klepsch and others (EPP), Mr Glinne and others (S), Mr Berkhower and others (L), Mr Israël and others (EPD) and Mr Galuzzi and others: Situation in Poland:</i>	
<i>Mr Dankert, rapporteur</i> . . . . .	205	<i>Mr Klepsch; Mr Berkhower</i> . . . . .	220
<i>Mr Santer (Council)</i> . . . . .	205	<i>Explanations of vote: Mr Sieglerschmidt; Mr Glinne; Mr Galluzzi; Mr Fergusson; Mr Galland; Mr Bruno Friedrich; Mr Deschamps; Mrs Lizin</i> . . . . .	220
<i>Consideration of the motion for a resolution contained in the Ansquer report (Doc. 1-706/80):</i>		<i>Points of order: Mr Beyer de Ryke; Mr Klepsch</i> . . . . .	222
<i>Mr Ansquer, rapporteur</i> . . . . .	205	<i>Explanations of vote; Mrs Gaiotti de Biase; Mr Spinelli; Mr Pelikan</i> . . . . .	222
<i>Adoption of the resolution</i> . . . . .	206		
<i>Consideration of the motion for a resolution contained in the Adonnino report (Doc. 1-705/80):</i>			

<i>Points of order; Mr Poniatowski; Mr Brandt; Mr Scott-Hopkins</i> . . . . .	223	<i>ronment, Public Health and Consumer Protection):</i>	
<i>Explanations of vote: Mr Israël; Mrs De March</i> . . . . .	223	<i>Mr Newton Dunn, rapporteur</i> . . . . .	239
<i>Adoption of the resolution</i> . . . . .	224	<i>Mrs Weber; Mr Collins</i> . . . . .	239
<i>Point of order: Mrs Bonino</i> . . . . .	224	<i>Mr Ghergo; Mr Sherlock; Mrs Squarzialupi; Mrs Scrivener; Mrs Roudy; Mrs Schleicher; Mr Skovmand; Mr Vredeling (Commission); Mr Sherlock; Mr Vredeling; Mr Newton Dunn; Mr Sherlock</i> . . . . .	241
<i>de Ferranti report (Doc. 1-733/80) (continuation of vote):</i>		16. <i>Application of social security schemes to employed persons — Report (Doc. 1-552/80) by Mr Ghergo (Committee on Social Affairs and Employment):</i>	
<i>Mr de Ferranti, rapporteur</i> . . . . .	224	<i>Mr Ghergo, rapporteur</i> . . . . .	251
<i>Mr Adonnino</i> . . . . .	224	<i>Mr Oehler; Mr Prag; Mrs Nielsen</i> . . . . .	252
<i>Adoption of the resolution</i> . . . . .	225	<i>Point of order: Mr Calvez</i> . . . . .	254
9. <i>Election of a Quaestor</i> . . . . .	225	<i>Mr Ghergo; Mr Vie; Mr Skovmand; Mr Vernimmen; Mr Vredeling (Commission)</i> . . . . .	255
10. <i>Rate of the ECSC levies for 1981 — Report (Doc. 1-704/80) by Mrs Hoff (Committee on Budgets):</i>		17. <i>Assistance from the European Social Fund for workers in the shipbuilding industry — Report (Doc. 1-553/80) by Mr Van der Gun (Committee on Social Affairs and Employment):</i>	
<i>Mrs Hoff, rapporteur</i> . . . . .	225	<i>Mr Verhaegen, deputy rapporteur</i> . . . . .	257
<i>Mr Martin; Mr Leonardi; Mr Tugendhat (Commission); Mr Percheron; Mrs Hoff; Mr Tugendhat</i> . . . . .	227	<i>Mr Vernimmen; Mrs De March; Mr J. D. Taylor; Mr Oehler; Mr Vredeling (Commission)</i> . . . . .	257
11. <i>Election of a Quaestor (resumption)</i> . . . . .	231	18. <i>Commercial transactions carried out with the help of the system of export refunds — Oral question (Doc. 1-586/80) to the Commission by Mr Dalsass, Mrs Cassanmagnago Cerretti, Mr Ligios, Mr Ghergo, Mr Diana, Mr Barbagli and Mr Narducci:</i>	
12. <i>Community loan mechanism designed to support the balances of payments of Community Member States — Report (Doc. 1-707/80) by Mr J. M. Taylor (Committee on Budgets):</i>		<i>Mr Dalsass, author</i> . . . . .	261
<i>Mr J. M. Taylor, rapporteur</i> . . . . .	231	<i>Mr Vredeling (Commission); Mr Dalsass; Mr Hord; Mr Notenboom; Mr Provan; Mr Vredeling</i> . . . . .	262
<i>Mr Balfour; Mr Ortoli (Commission)</i> . . . . .	231	19. <i>Agenda for next sitting</i> . . . . .	266
13. <i>Pre-accession aid for Portugal — Report (Doc. 1-683/80) by Mr Filippi (Committee on External Economic Relations):</i>		<i>Annex</i> . . . . .	267
<i>Mr Filippi, rapporteur</i> . . . . .	234		
<i>Mrs Poirier; Mr Beazley; Mrs Lenz; Mr Louwes; Mr Turcat; Mr Natali (Commission); Mr Filippi</i> . . . . .	234		
14. <i>Urgent procedure</i> . . . . .	238		
15. <i>Protection of workers from harmful exposure to metallic lead — Report (Doc. 1-675/80) by Mr Newton Dunn (Committee on the Envi-</i>			

IN THE CHAIR: MRS VEIL

*President*

*(The sitting was opened at 10.30 a.m.)*

**President.** — The sitting is open.

1. *Approval of minutes*

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

Since there are no comments, the minutes of proceedings are approved.

2. *Documents received*

**President.** — I have received several documents, details of which will be found in the minutes of proceedings.

3. *Decision on urgency*

**President.** — The first item on the agenda is the decision on the urgency of several motions for resolutions.

We shall begin with the *proposal for a regulation on fishery products (Doc. 1-635/80)*.

I call Sir Henry Plumb.

**Sir Henry Plumb, Chairman of the Committee on Agriculture.** — Madam President, I would request that Members vote against urgent procedure on this one. A rapporteur was appointed on 29 November. We did not get the official request for urgent procedure until this Monday, 15 December. Therefore we shall, I hope, have an opportunity to consider this in the Committee on Agriculture on 12 January and bring it before the next part-session. I plead with Members to vote against urgency, Madam President.

**President.** — I call Mr Gautier.

**Mr Gautier, rapporteur.** — (D) Madam President, ladies and gentlemen, I must come out against urgency

in my capacity as rapporteur on this document. We received the document from the Council a fortnight ago, but Parliament cannot properly discuss and adequately deal with changes to regulations in the fisheries sector in just 10 or 12 days. If this House wants to take a responsible attitude, it will have to reject urgency. In any case, there is apparently no longer any justification for urgency, since by all accounts the Council announced last night that the fishery talks had broken down. We therefore have until January to deal with the matter.

*(Parliament rejected the request for urgent procedure)*

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-730/80/rev.) by Mr Davern and others on behalf of the Group of European Progressive Democrats and Mr Clinton and others: Crisis in farming incomes in Ireland*.

I call Mr Davern.

**Mr Davern.** — Madam President, asking the Parliament this morning for urgent procedure on the crisis in Irish farming, I am conscious of the fact that there is a drop in Community farming and in Community farming incomes. All the statistics I have given bear this out. I am aware that this Parliament in Mrs Barbarella's report only two months ago said that we gave a unanimous decision in favour of aid for Northern Ireland. I now say that this is an equal opportunity to help both sides in Ireland to lift themselves above an income which is absolutely below the normal level. In what other country can a farming family live on less than 3 000 units of account per year? I plead with this Parliament to vote urgently to stop this haemorrhage of our farming community.

*(Parliament adopted urgent procedure by electronic vote)*

**President.** — The motion for a resolution will be placed on the agenda of Friday's sitting.

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-737/80) by Mr Combe and others: Establishment of a European plan for relief in the event of disasters*.

I call Mr Combe.

**Mr Combe.** — (F) Madam President, in view of the confusion that has arisen in the minds of a number of

Combe

people concerning these proposals and the debate on the problems of Italy, and since many Members have approached me for my assistance in drawing up a really complete plan stipulating how much relief should go to each country in the event of a disaster, we felt that it would be a better idea if we tabled as early as possible an oral question with debate on the subject. Our group intends to do so, and I therefore withdraw the request for urgency.

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-746/80) by Mr Maher and others: Present crisis situation in Irish agriculture.*

I call Mr Maher.

**Mr Maher.** — Madam President, since it has been decided to debate the motion for a resolution by Mr Davern, Mr Clinton and others on Friday, and since my motion is more or less along the same lines, I do not think there is any need for me to pursue the matter. I therefore withdraw my motion for a resolution.

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-747/80) by Mrs Castle and others: Withholding of vital information on agricultural holdings.*

I call Mrs Castle.

**Mrs Castle.** — Madam President, I do not believe that the House will regard either the purpose of this motion or the case for urgency as controversial, because the purpose in both cases is to enable us to do more effectively a piece of work we have got to do in the next few months — namely, the review of the workings of the common agricultural policy, to which all institutions of the Community are now committed. The Committee on Agriculture has already started its review. It is holding a seminar in January with a view to preparing for a major debate in this House about March of next year.

The figures available to us on agricultural activities in the Community are inadequate to enable a proper decisions to be taken. We have global figures for production and consumption in the Community. We have some details of the activities of individual farms, but what we have not got is a picture of the relative importance of those activities to a farmer's livelihood. For example, we may know how many cows he has

but we do not know how essential that dairy herd is to his total livelihood. In other words, we have not got a typology.

In 1975, the basic figures were collected under the farm structure survey. In 1978, the Community adopted an agreed typology necessary to interpret those figures so that we could make the right decisions about farmers' incomes and needs in the future. So the position is that the information is there and an agreed typology has been established. However, although most of the information has been processed, it has not been completely processed because it has not been given priority by our data-processing services, and until it is completed we cannot feed it into our work and we cannot make the sort of judgments we want to make. Therefore the purpose of this request for urgent debate is to get Parliament to demand that priority be given by the data-processing services to assessing the basic information we have got to have in hand so that it will be available very quickly. It can be available quickly if we instruct the services, as I am asking the House to do. Then we can get the information in the form we need it ready for our January seminar. Without this motion being carried we shall still be left in the dark on important information about agricultural activities.

**President.** — I call Mr Klepsch.

**Mr Klepsch.** — (D) Madam President, I wish to speak against urgency. We feel that the Committee on Agriculture is quite capable of dealing with the information we are talking about here. We fail to see why such peripheral issues have to be the subject of urgent debates in Parliament. If you ask me, this motion for a resolution with request for urgent procedure is quite unjustified in this case and we do not think there is any call for urgency. It is the view of our group that the Committee on Agriculture is quite capable of dealing with all the information.

**President.** — I call Mr Rogers.

**Mr Rogers.** — I should like to support this request for urgent procedure, Madam President. I think Mr Klepsch is misleading the House. The Committee on Agriculture has attempted to get this information, or at least I would have thought that the chairman of the Committee on Agriculture had pursued this. They have manifestly failed to obtain the information and therefore it is quite proper that the House should bring forward a motion like this. As Mrs Castle said, it is urgent, and we have got to have the courage in this House to back up our committees when they cannot get the information they require. It is a mechanical device, and I can see no reason why any Member of

## Rogers

this House who believes in transparency of business within the establishment should vote against it. So I support the request.

*(Parliament rejected the request for urgent procedure)*

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-749/80) by Mr Enright and others: Meeting place of Parliament.*

I call Mr Enright.

**Mr Enright.** — Madam President, this in fact is the first step in an attempt to make the Bureau of this Parliament responsible to Parliament as a whole.

*(Applause)*

It seems to me that a large number of decisions are taken in private and are not shown to the public. We were elected as a Parliament to represent the public and to ensure that they know what was going on. If we ourselves do not know what is going on as a Parliament, then we can scarcely say that we are effectively representing that electorate. It could well be, Madam President, that this Parliament will decide that all meetings should take place in Batley, in West Yorkshire. In that case, I promise you that we shall have a new building constructed by February at the very latest.

*(Laughter and applause)*

But before that were to happen, I would wish it to come before the whole Parliament instead of suddenly appearing as an item of expenditure on the budget with none of us knowing what was happening. I therefore urge this House to support the motion so that we can try to start reforming our procedures and making them available to the public. I expect the pompous comments will come as they did before from the group chairmen, but I would urge them all, including Mr Klepsch, not to claim that they have the unanimous support of their groups, because in fact last time all of them had members on their back benches voting against them. This is a matter for back-benchers.

*(Loud applause)*

**President.** — I call Mr Klepsch.

*(Laughter and applause)*

**Mr Klepsch.** — *(D)* Madam President, I appreciate Mr Enright's little joke. We get one of these requests

for urgency at every sitting. It holds us up a bit but it keeps us all a bit amused. The matter is quite clear. We discussed it thoroughly during the last part-session — I distinctly remember our debate in Strasbourg — and reached the conclusion that it was a matter for the Bureau. We have no intention of relieving the Bureau of this task. It is beyond me why at every sitting the same people go on tabling motions like this.

*(Laughter)*

*(Parliament adopted urgent procedure by electronic vote — Applause)*

**President.** — The motion for a resolution will be placed in the agenda of Friday's sitting.

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**President.** — We shall consider the *motion for a resolution (Doc. 1-755/80) by Mr de la Malène and others: Hunger strikes of prisoners in the Long Kesh and Armagh prisons.*

I call Mr Lalor.

**Mr Lalor.** — Madam President, this motion for a resolution concerns a very sad and important issue. Quite frankly, I want to say that I do intend to make a emotive speech on this extremely important issue. At the present time, seven people are in an advanced state of illness in Belfast arising from their being on hunger strike there for over 50 days. I feel that this Parliament should show its concern for the lives of those seven and of others that many follow. In the light of the humanitarian aspects, I, quite frankly and honestly, urgently request every Member of Parliament here to show his concern and call in turn on all concerned to do their utmost to find a way out of the present situation in the interests of the lives of those people and in the interests of peace and security for all the people of Ireland. That is all I am saying. I am asking all the Members of this House to support this request for urgent procedure.

**President.** — I call Mr Capanna.

**Mr Capanna.** — *(I)* Madam President, ladies and gentlemen, those of you who have read this motion for a resolution carefully will undoubtedly have realized that it raises an issue which is humanitarian and not political. Mr Lalor made this quite clear. The prisoners in the Long Kesh and Armagh gaols have completed almost 50 days on hunger strike. Other prisoners have joined or are joining the first group which began this form of peaceful and non-violent struggle. Let me say

**Capanna**

again, ladies and gentlemen, that this is not a political but a humanitarian problem — a humanitarian problem within the Community.

On numerous occasions Parliament has shown the utmost sympathy and speed in responding to humanitarian problems which emerged in countries outside the Community. A problem of a humanitarian kind is by nature urgent, and it has to be tackled and solved with the utmost speed. Parliament would, in my view, be demonstrating a lack of sympathy if it failed to adopt urgency on this matter. As far as I am concerned, I am convinced that Parliament will not want to give such a demonstration.

**President.** — I call Mr Paisley.

**Mr Paisley.** — Madam President, this House should be aware of what this strike is about. This strike is about the granting of political status to these prisoners. They themselves have made that perfectly clear in the statement they have issued. They have had their case before the Court of Human Rights in Europe, and that court has indicated that there is absolutely no basis in national or international law for them to have political status.

These men and women are not detained. They have been sentenced and imprisoned by the due process of the law, and I want to make it clear that that law was made not by the former Ulster Parliament but by the United Kingdom Parliament and upheld by both the present government and the previous Labour administration.

The prisoners concerned are not people of high political ideals and integrity but are perpetrators of the most diabolical of crimes. One man who is on hunger strike, a man of the name of McCartin, shot down an industrialist who had come to the city of Londonderry to help get jobs for the unemployed in that city. He was also found guilty of shooting in cold blood a Roman Catholic member of the Royal Ulster Constabulary. So let the House be clear about the type of crimes we are concerned with today.

I am one of the few Members of this House who have been in the prison. I have sat in the cell with these republican protesters, who have smashed their furniture, who have plastered the walls with their own excreta, who have urinated on the floor and have sought in every way possible to make imprisonment impossible. The House needs to know today that these prisoners are allowed to wear civilian clothing supplied by the prison authorities and after 7 o'clock each evening, at all weekends and during all visits are allowed to wear their own clothing. They should also know that they have three hours of free association each week-day, that recreational conditions and facilities are provided for them, that they are given two visits a month and are allowed four letters per month.

And it should be said that in a recent debate in the United Kingdom Parliament the official Labour Opposition backed up the government of the United Kingdom in its stand on this issue.

*(Applause from the European Democratic Group)*

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

**Mr Glinne.** — Madam President, the Socialist Group has always been in the forefront in the fight for human rights and will continue to be so. However, on this particular case, we do have strong reservations on the question whether it is opportune to have in this Assembly at this moment a full-scale debate. We feel that such a discussion, instead of helping to save lives, might increase the danger that lives will be lost. We need the benefit of the knowledge and insight of our Irish Members from North and South before we can make a judgment.

The Socialist Group is satisfied that our colleague John Hume, one of our members from Northern Ireland and leader of the Social Democratic and Labour Party, is doing his utmost to resolve this tragic situation, and we fully support his efforts.

We note that the European Court of Human Rights has adjudicated on the issue and made it clear that there is no basis in national or international law or the European Convention on Human Rights for the claim of political status. We note also that the judgment declares that the British Government has been more concerned with the punishment of prisoners than with seeking a way out of the *impasse*.

We believe therefore that all concerned must pursue with dedication a solution to this serious problem, using the judgment of the European Court of Human Rights as a framework. An urgent debate here, this week, might do more harm than good.

*(Applause)*

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

**Mr Scott-Hopkins.** — Madam President, I wish to tell the House why I have asked my honourable friends in my group to vote against urgent procedure for this motion. I do not underestimate, of course, either the seriousness of the situation in Northern Ireland, the position of the hunger strikers, who have taken the decision to go on hunger strike themselves, or the right of the British Government to do its duty to those found guilty of murder and terrorism. I also do not wish to be emotional, as the previous speeches have not been, but I can be just as emotional as any

**Scott-Hopkins**

man or woman in this Chamber: I have seen the tragedy of men and women dying in peace and war, but these men and women on hunger strike at the moment have gone there of their own will and accord and they have gone there for a political purpose. Their case, as has been said by two honourable gentlemen already, has been before the Court of Human Rights, and their case for political status was rejected. Let us never forget that! Therefore I say quite clearly to the House that is what is going on now, and what they are attempting to do, is to gain publicity for their own cause of violence and terrorism, and I could argue that the acts of violence of which they have been guilty are much more in violation of human rights — the rights of their victims, which we do sometimes tend to forget.

As I have said, what is happening in Northern Ireland at the moment is an attempt to enlist public sympathy and parliamentary sympathy for their political aims. I do not believe that this House should go along with that. I believe this House would be making the greatest mistake if we tried to interfere or to tamper with what is going on in one of the Member States; as has been said by the leader of the Socialist Group in this House, we should be making matters worse, and so I would ask this House to reject urgent procedure for this debate, because the final result of it would, I think, be to encourage the kinds of acts we have seen over the past years in Northern Ireland, which we all deprecate.

*(Applause from the European Democratic Group)*

**President.** — I call Mr Blaney to speak on behalf of the Group for the Technical Coordination and Defence of Independent Groups and Members.

**Mr Blaney.** — Madam President, having listened to the previous speakers I can only commend to you the Hilton Hotel conditions described by my colleague, Mr Paisley. It is in these Hilton Hotel conditions in Long Kesh that men are today on their sixtieth day of hunger strike, and one is on the brink of death. They are doing this, of course, merely to cause political problems for our near neighbour, the United Kingdom. This seems to be the gist of what has been said here. I would also like to tell one of the other speakers, Mr Glinne, that he has been sadly misled when he is given to understand that delicate negotiations are at this moment taking place, particularly when we know from this morning's news bulletins that Mrs Thatcher has made it quite clear that nothing is going to be done.

This hunger strike is not being undertaken by people sentenced under due process of law. Eighty per cent of the inmates of Long Kesh today are there by virtue of forced confessions under what we call a Diplock Court set up in 1976 in order to criminalize those

prisoners who, were, in fact, given special status from 1969 to 1976. We are not seeking political status today. The concessions these men seek on humanitarian grounds have nothing to do with their being released from prison. Britain is the only party that can move to save human life, to save misery, to save an escalation of violence. They will still be Britain's prisoners, even if they are given all that they are asking for at this particular moment. That is what we should be thinking of, not quoting what the Court of Human Rights said about the demand for political status.

If we want to talk about the Court of Human Rights, we should recall the decision of that court not so many years ago in relation to these same people. The British Government then committed various acts of torture against its prisoners and was warned to mend its ways. Let us put that on the record when we come to consider why these people are dying today in what Dr Paisley describes as the Hilton-like conditions of Long Kesh. The truth is that they are in a hell-hole in Long Kesh, being treated like animals and dying for their determination not to stand for that sort of treatment.

We have come here to ask you on humanitarian grounds to make a plea to Mrs Thatcher and her UK Government to consider carefully what the future is likely to be if these prisoners die on hunger strike.

**President.** — I have received a request for a roll-call vote from the Group for the Technical Coordination and Defence of Independent Groups and Members.

*(Parliament rejected the request for urgent procedure by roll-call vote)<sup>1</sup>*

The motion for a resolution is therefore referred to the appropriate committee.

#### 4. *Supplementary budget No 2 for 1980 (vote)*

**President.** — The next item is the vote on supplementary budget No 2 of the European Communities for the financial year 1980.

I call Mr Dankert.

**Mr Dankert, rapporteur.** — Madam President, as we explained in the plenary sitting on Tuesday, the Committee on Budgets has presented a report to Parliament involving considerable additions to the Council's draft because of the indisputable link between the 1980 supplementary budget and the 1981

<sup>1</sup> The detailed results of roll-call votes are given in the minutes of proceedings.

**Dankert**

budget — certainly as far as the payment situation is concerned. The two budgets are linked because the Commission is bound to honour commitments that we can find in the 1981 budget, commitments that have not been accompanied in the Council's decision of 24 November by the necessary payments. Already in 1980 the Commission found that its payments for the honouring of commitments were 100 million units of account less than the payment totals in the budget, which is the reason why the Commission asked for this supplementary budget. I associated it — rightly so, in the view of the Committee on Budgets — with emergency aid for the Italian earthquake disaster.

In its original proposals, the Committee on Budgets proposed nine amendments to retable the 40 million units of account the Council did not want to grant out of the request for a hundred of the Commission's preliminary draft. We included, as the Committee on Budgets in the 1980 draft, the extra payments necessary to honour the commitments made in 1980 or previous years, but originally envisaged by Parliament's Committee on Social Affairs and Employment for paying out in 1981. We added a surplus amount of some 95 million units of account provisionally allocated to Item 5 100 — aid to improve the employment situation in certain regions — an amount eventually to be transferred to the Regional Fund if extra payments should be necessary in 1981. Furthermore, we proposed to increase Community aid to Italy.

Following discussions with the Council of Ministers in the conciliation procedure, when it emerged that Council was not ready to make more than limited extra offers for payments in 1981, the Committee on Budgets authorized the rapporteurs for the 1981 budget and one for the 1980 supplementary budget to make new proposals both as regards the 1980 supplementary budget and the 1981 draft. In view of the fact that Parliament retains the right of a margin of some 380 million units of account in payments for 1980, and in view of the restrictive attitude being adopted by the Council in the conciliation procedure for the 1981 budget, we propose to the Committee on Budgets that a supplementary budget No 2 should be further increased to a total amount of 366 million units of account; and that has to be compared with the available margin of 380 million units of account.

The breakdown is as follows. As I explained, the draft supplementary budget No 2 of the Council asks for 100 million units of account. The Committee on Budgets supports that. We further support demands of the Commission for a further 40 million units of account to meet existing commitments in the Social Fund in 1980 and we have increased the payments for the Social and Regional Funds to be voted provisionally for the 1980 budget under Chapters 50 and 51 — European Social Fund — with the possibility still of a transfer to the Regional Fund of a total of 226 million units of account. This makes a grand total of 366.

Madam President, the main effect of this change is to reduce the number of amendments tabled to 8. With great regret I have to announce that the amendment already tabled for disaster aid to Italy had to be taken out of the package by the Committee on Budgets — the extra 20 million already proposed, 40 million of Council remaining in — because such an increase would not only increase the payments but also the commitments. If we increase commitments, we shall have a problem with Council on the margin for manoeuvre, because Council would have to increase the margin by a qualified majority. This would create such tremendous problems in dealing further with the supplementary budget that the Committee on Budgets has judged it wise and sound budgetary policy not to insist on maintaining these originally foreseen amendments on extra aid for Italy. It is in part compensated for by the proposal Mr Adonnino is making on the 1981 budget . . .

**President.** — Mr Dankert, I am obliged to interrupt you to ask forthwith those who want to talk to do so outside the Chamber. The interpreters cannot hear you because of the noise and are therefore unable to do their job properly.

**Mr Dankert.** — . . . Amendment No 5, concerning Item 5110, aid to improve the employment situation in certain regions: an element in the Social Fund has been amended and instead of increasing it by 132.8 million units of account, the Committee on Budgets now proposes a total of 188.6 m EUA. In fact this means that the original amendment accepted by Parliament on the increase in Regional Fund payments has been honoured by the Committee on Budgets.

The revised package, Madam President, was approved by the Committee on Budgets by 23 votes to 3, with 9 abstentions. The big question remains how we proceed from here. It is hoped that the Council will indicate its assent to Parliament's amendments as quickly as possible, and it does seem that a necessary blocking minority within Council is there to permit a speedy adoption of this supplementary budget; but should Council not be prepared to accept our amendments, it should be recalled that Parliament is fully within its rights to retable the full amount at a second reading. The total proposed for the supplementary budget of 366.4 m EUA remains less than the margin for increasing non-compulsory payments in 1980.

Of course it is a slightly, to say the least, curious situation that Parliament may have to give this supplementary budget a second reading in the first months of 1981. I am fully aware of that. But, as usual, things are not so simple in Europe, and there are precedents in the history of the Community for the adoption of a supplementary budget after the close of the financial year. What is more important, no one — neither the Council nor the Commission — has indicated to



**Dankert**

Parliament that it did not dispose of its full rights to amend the supplementary budget when the draft was submitted to it, and in the consultation procedure Council has gone no further than to say that what Parliament did was open to criticism. Therefore, Madam President, if those rights could not be exercised then the supplementary budget procedure itself would be enveloped.

Any attempt to undermine Parliament's rights after the vote today would necessarily lead to a very serious legal conflict between the institutions. This is all the more certain because its decisions on the supplementary budget have, as I indicated at the beginning, undoubtedly influenced its attitude, or that of the Committee on Budgets for the moment, on the 1981 draft budget.

It may even be said that by using the opportunities offered by the supplementary budget Parliament has found the means which make it possible to adopt today the 1981 budget without in any way compromising its overall political objectives. For Parliament's position to remain credible, therefore, it is necessary to give the amendments proposed by the Committee on Budgets for the supplementary budget of 1980 the necessary official majority.

**President.** — I call Mr Israël on a point of order.

**Mr Israël.** — (F) For the sake of order during the sitting, could the ushers not ask those Members who are standing about and talking to leave the Chamber?

**President.** — I call Mr Balfe on a point of order.

**Mr Balfe.** — Madam President, the budgetary procedure, as I understand it, provides that if amendments are tabled the Council has 15 days in which to decide upon its position. If 15 days elapse from today, that takes us into a new year.

I do not know of any procedure whereby a supplementary budget for this year can be adopted during next year, because my understanding of budgetary procedure is that on 31 December all outstanding monies are then carried forward into next year's budget. It is for this reason that we have the quaint European custom of stopping the clock at the end of one particular year. We have been told that there is a precedent, and although no one has yet given me the date of this precedent or the circumstances, I understand that it has something to do with the Euratom Budget adopted some time during the 60s at the request of the Council.

My point of order, Madam President, is this: I would like to ask the Council to confirm that they regard this budgetary procedure we are adopting as being in

order and that they will accept that a supplementary budget for 1980 can be adopted during the 1981 budgetary year.

**President.** — I call Mr Coppieters on a point of order.

**Mr Coppieters.** — (NL) Madam President, I listened carefully to your remark about discipline in the Chamber, and as someone who spends a fair number of hours sitting here every day I should like to add another comment, to the effect that this Chamber is unsuited to our work. It is high time we took a careful look at the design of any building before it is put to use. The acoustics are bad and you get a headache if you look at these silly walls. It is too much for someone who has to sit here all day. This had to be said too, you know.

*(Applause from various quarters)*

**President.** — I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.** — (D) Madam President, I was under the impression that this question was directed to the Council President and not to the chairman of the Committee on Budgets. I can only say that there are precedents for acting in this way now, should things drag on until January. But we do not know yet one way or the other whether this is the case. At any rate, I would suggest that the question be put to the President of the Council.

**President.** — I call Mr Santer.

**Mr Santer, President-in-Office of the Council.** — (F) Madam President, the Council will of course comply with the procedure laid down in the Treaties. I can assure you that the Presidency will make every effort to ensure that the Council considers this as a matter of urgent priority. For the moment, however, we have to await the outcome of Parliament's vote on this supplementary budget No 2.

*(Parliament voted on the draft amendments)<sup>1</sup>*

**President.** — Now that Parliament has adopted the amendments to the Council's draft budget, a number of problems arise. Mr Lange and Mr Balfe have already mentioned them. Perhaps the President-in-Office could outline the Council's position?

**Mr Santer, President-in-Office of the Council.** — (F) Madam President, as I said just now, the Council will comply with the procedure laid down in the Treaties

<sup>1</sup> See minutes of proceedings.

**Santer**

and will consider the supplementary budget which has just been adopted by Parliament. You may rest assured that the Presidency will make every effort in seeking the appropriate course to have it considered as quickly as possible.

**President.** — The draft amending and supplementary budget No 2 as amended will be forwarded to the Council.

I think I may speak for everyone here in saying that we naturally hope to have the Council's opinion as soon as possible.

*(Applause from various quarters)*

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — I wonder whether the President-in-Office of the Council could perhaps clarify the position a little further. I understand his position on the supplementary budget and I thank him for his helpfulness in dealing with it quickly. Can he tell the House now what the Council's position is on the 1981 budget? Is the offer that the Council made to increase the margin for manoeuvre still on the table?

**President.** — I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.** — (D) Madam President, ladies and gentlemen, I should like to take this opportunity firstly to point out to the President of the Council that it would be possible to arrive at an answer, either positive or negative, today if he were to make enquiries by means of telephone or telegram as has been done on various occasions in the past. Secondly, in connection with supplementary budgets, we have always as far as at all possible agreed to bring deadlines forward and kept to the agreements, so that it would be a good thing if we could have an answer today. Thirdly, ladies and gentlemen, we have reached a special decision for the 1980 supplementary budget under difficult and exceptional conditions. It had originally been proposed that the supplementary budget for 1980 should be linked with the budget for 1981. As Mr Dankert explained, we have packed everything we could into the supplementary budget in order to make use of all the room for manoeuvre still available to us within our margin.

Without prejudice to the decision to be taken in the meantime by the Council, I have not the slightest doubt that this budget will ultimately turn out as it has now been adopted by Parliament even if, contrary to our expectations, we must decide on it again, i.e. if the

Council arrives at a different view. This budget will have a particular effect on the 1981 budgetary year since, as a result of automatic carryover, the funds which become available now in this 1980 supplementary budget will enable much, not to say all, of what Parliament actually wanted to be initiated and perhaps even fully implemented in 1981.

I just wanted to draw attention, therefore, to the particular significance of the decision we have just taken regarding the supplementary budget and at the same time to make it clear — and I hope I have succeeded in doing so — that this supplementary budget is by virtue of this not only an instrument for the 1980 budgetary year, but also a special instrument for 1981 — and I mean 1981.

I should like to add a fourth remark. If the budget comes into force in the form in which we have just agreed on, even if we must formally repeat this decision in four weeks' time at the January part-session, this will naturally also open up the possibility for an increased margin for 1981. If the 1981 budget remains in the form proposed by the Council after its second reading, we will have to ask the Commission for the first time to initiate the necessary measures provided for the realization of Parliament's policy objectives. This would mean that, in view of the margin for 1981 which would then have been increased, the Commission would have to propose a corresponding supplementary budget or carryover, so that, basically, the procedure would still be underway although the procedure for the fixing of the budget for 1981 could possibly already be formally completed. In this way, we would be able to do everything we wanted for the years 1980 and 1981 by means of supplementary budgets and carryover.

In this way, in my view, the supplementary budget gains in significance, whereas the decision which we have to reach today regarding the budget for 1981 becomes correspondingly less important.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Madam President, the Commission has followed very closely all that Parliament has attempted to do in the 1981 budget procedure. Our policy objectives — the Commission's and the Parliament's — are the same. We want to achieve the same things on behalf of the Community as a whole.

And now let me make two points about the present situation. First, in our view the supplementary budget provides important new opportunities for the Community as a whole. It is an imaginative use of Parliament's rights.

Second, a new and complicated situation has arisen with regard to the 1981 budget, the passage of which

**Tugendhat**

is important for the good functioning of the Community. In the normal course of events, a certain number of amendments to the 1981 budget would have been adopted at the same time as the adoption of the budget as a whole. Circumstances have now arisen this year as a result of which Parliament may well feel that it would not be right to adopt such amendments. The Commission is, of course, aware of the intention of Parliament as expressed through the amendments and would take account of what the Parliament would like to have done in the various proposals that we shall make during the course of the budgetary year 1981.

The point I want to get across in the clearest possible language is that we know what has underlain your amendments. We know what they have been designed to achieve. In the course of 1981, assuming that the budget goes through in the form that Mr Lange described, we will make every effort we possibly can to ensure that your desires, as expressed, are carried through.

(Applause)

**President.** — I call Mr Santer.

**Mr Santer, President-in-Office of the Council.**

— (F) Madam President, I wish to answer the two questions I have been asked. To Mr Lange I can only repeat what I said earlier, to the effect that at the present time I have no mandate from the Council to inform the House of its position. And to Mr Scott-Hopkins, let me make it absolutely clear that as soon as I received the mandate, it was clear that the Council's offer referred to both 1980 and 1981.

**President.** — The draft amending and supplementary budget No 2 as amended will be forwarded to the Council.

We shall now consider the *motion for a resolution contained in the Dankert report (Doc. 1-731/80)*.

(Parliament adopted the resolution)

5. *Letters of amendment Nos 2 and 3 to the 1981 draft general budget*

**President.** — Parliament is now required to vote on two draft amendments by the Committee on Budgets to letters of amendment No 2 (Doc. 1-623/80) and No 3 (Doc. 1-741/80) to the draft general budget of the European Communities for 1981 which was adopted on 18 November 1980.

(Parliament adopted successively the two draft amendments\*)

\* See minutes of proceedings.

6. *General budget of the European Communities for the financial year 1981*

**President.** — The next item is the vote on the draft general budget of the European Communities for the financial year 1981, modified by the Council on 24 and 25 November 1980 (Doc. 1-670/80), and on the motions for resolutions contained in the reports by Mr Ansquer (Doc. 1-706/80) and Mr Adonnino (Doc. 1-705/80).\*

(...)

— *Amendment No 87*

**Mr Ansquer, rapporteur.** — (F) Madam President, I can tell the House that this amendment has no financial effect.

— *Amendment No 88*

**Mr Ansquer, rapporteur.** — (F) The same is true of this amendment, Madam President, which does not affect the budget. It in no way affects our margin.

(...)

— *Amendment No 89*

**Mr Ansquer, rapporteur.** — (F) Madam President, ladies and gentlemen, we have to take account of the decision by the Committee on Budgets which last night changed part of this amendment by deleting the appropriations while keeping the regrading of posts. In other words, we delete the increase of 163 160 EUA but keep the regrading of posts.

(...)

— *Amendment No 90*

**Mr Ansquer, rapporteur.** — (F) This amendment has no financial effect, Madam President, because it is compensated.

(...)

**President.** — We shall now consider *Section III: Commission*.

\* Only parts of the voting on which Members spoke are given here. Results of the voting will be found in the minutes of proceedings. The opinion of the Committee on Budgets on the various amendments, which was indicated by the President during the sitting, will be found in the Annex.

### President

I call Mr Adonnino, who will inform the House of the outcome of the latest discussions of the Committee on Budgets on this section.

**Mr Adonnino, rapporteur.** — (I) Madam President, ladies and gentlemen, the speakers who have preceded me this morning, amongst others Mr Dankert and Mr Lange, have already repeated and made clear what political and technical links there are, even if they are relatively independent from a legal point of view, between the problems raised by the second supplementary budget for 1980 and the problems of the 1981 budget.

It has already been explained that Parliament intends to look at the problems globally and has decided, for the very reason that in this case the sums involved are bigger — and it was agreed that this was a valid approach — to pay special attention to the 1980 budget, in order to ensure that in 1981 sufficient funds will be placed at the Community's disposal.

As far as the 1981 budget itself is concerned, this House has already taken note of the Council's conclusions during the second reading, which I had the privilege of commenting on last Tuesday morning in this House. At the end of my speech, whilst admitting that several steps had been made, I pointed out that there was still room for us to be able, especially in the context of non-compulsory expenditure, and within the sphere of our frank dialogue with the Council, to achieve further real concessions. Yesterday however it became apparent that this would prove quite difficult to achieve, since the Council made known that, on the subject of commitment appropriations, it was only prepared to agree to those which might arise from the approval of the supplementary budget No 2 for 1980, in accordance with the proposals of the Council, which means appropriations of 100 million EUA, and that for payment appropriations, the Council would be willing to agree to a variably sized increase of approximately 100 million EUA, but only on condition that this be considered as a one-off package and that, therefore, Parliament had not adopted any conflicting attitudes on the supplementary budget No 2 for 1980. This placed the Committee on Budgets in great difficulty. It was a question of assessing the overall implications of whether it was better to give up all thought of action on the 1980 supplementary budget or if we should allow ourselves to be more or less forced into the situation laid down by the Council in its second reading of the 1981 budget. Since Parliament — and the vote which has just taken place confirmed this almost unanimously or at least by a very large majority — intends to continue along the path which it mapped out for itself from the very beginning and which is that of seeking to solve the problems of the 1981 budget by using up the margin for manoeuvre which still remains on the 1980 budget, then an uncertain situation has been created as far as the 1981 budget goes, since the Council's attitude is not clearly known and nor are the boundaries within which we may reasonably manoeuvre.

The Committee on Budgets decided last night that it could put forward to the House proposals for moderate and restricted increases, both for commitments in 1981 with an upper limit of 45 million EUA which would result from an increase in our margin for manoeuvre, were the second supplementary budget for 1980 to be approved, and of 15 million EUA more in order to carry over onto the 1981 budget the burden for further aid to be granted to Italy for the areas hit by the earthquake. The Committee also decided that it could uphold a proposed increase in non-compulsory expenditure, limited to 54.6 million EUA, and thereby it kept well short of what the Council had albeit theoretically offered, as a global package, to the extent of 100 million EUA.

Now why did we do this? We did it because we decided that it was an opportunity both to respond to some of the demands that we feel to be necessary in the 1981 budget, and here I refer to the energy field to mention only the most important, and because we decided in this way not to break off contact with the Council at this difficult but not hopeless moment and to give the Council the opportunity of accepting these small increases, and thereby to restore the climate of close cooperation which had existed up to now.

I must state that last night's deliberations in the Committee on Budgets took place before we heard the statement made this morning, which seemed to be of great interest, by the Commissioner responsible for the budget. He told us that, should the supplementary budget for 1980 be approved, and if the 1981 budget were, for any reason whatsoever, not to contain the proposals made last night in an extremely forthright manner by the Committee on Budgets, then the Commission of the Community would take it upon itself, during the financial year of 1981, to propose technical steps which would enable the selfsame outcome to be achieved. I feel that this is without doubt an extremely important factor to be added to the argument and which is at present laid open to the appreciation of Parliament. As far as I am concerned, since I am obviously subject to the decision which our Committee took last night, and which I should like to repeat was taken before we were aware of this last factor, I must say that my favourable opinion was obviously only given with reference to those few amendments which are in line with the figures I quoted, both for commitments and payments, figures which were approved last night by the Committee on Budgets. The other amendments which were tabled before this, as a result of the voting on the first reading or of the votes taken last week in Brussels, were, on behalf of the Committee on Budgets, withdrawn for this reason. On the other amendments which were not tabled by the Committee on Budgets, but by political groups of this house, by committees or individual Members, I obviously expressed an unfavourable opinion because they would take us beyond our margin for manoeuvre, and therefore they would create problems for us and for this reason they cannot

**Adonnino**

be approved. I only wish to add, Madam President, that I was speaking just now about amendments which have some incidence on the budget. There are also a whole range of amendments which have no incidence on the budget, either because they only concern the system of classification used in the budget or because they are comments on it, or simply request the opening of a line of credit with a token entry or because, like the amendments which concern the problems of Community personnel, they were tabled beforehand, and have now been supplied with the necessary funds. All such amendments merely remain amendments which alter the establishment plan for the staff of the Communities, without providing any special appropriation in the 1981 budget.

**Mr Johnson.** — I wonder if you could explain something to me. On Amendments Nos 60/rev., 61/rev., 62/rev. and 63/rev., you indicated to the House that the advice of the Committee on Budgets was unfavourable. I do not know what meeting you are referring to, because the meeting of the Committee on Budgets I attended was in favour of all these four amendments, by a vote of 22 to 8, with 3 abstentions. So I think there must be some error in the advice you have been giving the House.

**President.** — I was informed that when the Committee on Budgets met last night it gave an unfavourable opinion on these amendments. Mr Adonnino indicated this just now. Perhaps he would like to confirm this?

**Mr Adonnino, rapporteur.** — *(I)* Madam President, I explained that when the Committee on Budgets made its decision last night it decided to give an unfavourable opinion in general on all the amendments except those which were specifically approved. This, of course, also includes the amendment to which the Honourable Member is referring. Let me say again that I am talking about the meeting which the Committee on Budgets held yesterday evening, or to be more precise, last night.

(...)

**President.** — I have received two proposals for outright rejection of the draft general budget of the European Communities for 1981, one by Mr Pannella and others (Doc. 1-734/80) and the other by Mr Baillet and others (Doc. 1-735/80).

I call Mr de la Malène on a point of order.

**Mr de la Malène.** — *(F)* Madam President, in addition to the two proposals for rejection which you have just mentioned, there is also the one I put to you yesterday evening. I was told that we were too late.

I am disappointed at this interpretation of the procedure. It is difficult to say that someone is too late before talks between the Council and the Committee on Budgets are over. By ruling us out of time, you are asking us to reach a decision before the consultation procedure has finished, Madam President, and I want to protest against this procedure.

I appreciate your difficulties and I have no desire to add to them, but please understand the difficulties of the groups which are required to make a decision, an important decision, without knowing the outcome of the talks between the Council and our spokesmen for the Committee on Budgets. This is why I was anxious to make this protest against this interpretation of procedure.

*(Applause from various quarters)*

**President.** — As far as the substance of the matter is concerned, Mr de la Malène, I do appreciate that it is difficult for any group to make a decision before knowing the Council's final proposals. As for the form of the matter, however, you know our Rules of Procedure no text can be put to the vote unless it has been translated and distributed.

In the event of something exceptionally important such as a proposal for outright rejection of the budget, the Committee on the Rules of Procedure and Petitions could make a proposal — and Parliament would of course decide in the last instance — for an exception to the rule.

**Mr de la Malène.** — *(F)* Thank you for your suggestion. Could we not do what you propose and ask the House, until such time as the Rules of Procedure are changed, to accept this additional proposal for rejection?

**President.** — The Rules of Procedure allow me to put the matter to the House.

*(Parliament agreed to consider the proposal)*

I call Mrs Bonino to introduce the proposal for outright rejection (Doc. 1-734/80).

**Mrs Bonino.** — *(I)* Madam President, ladies and gentlemen, I think that the outcome of this morning's voting and the rejection of all the amendments, especially those on the most important topics, more than ever justify our motion to reject the budget. I also think that its essence — if you had had the patience not to listen to me but at least to read it — is patently clear; I merely wish to remind you briefly of the reasons why we ask you to reject the budget.

**Bonino**

The first reason came precisely from the last vote we took, which was a total refusal of any serious commitment on the problem of hunger in the world, a problem which none the less has been debated and deliberated on at great length by this House. We said at the time of our debate on this subject that this was likely to end up as 'mere words'. Today, we can see that things are in fact tending that way. The interest which the European Parliament states it has for the Third World, is in fact, nothing but show, because the amendments tabled by the Committee on Cooperation and Development were all today totally rejected.

The second reason why we ask that the budget be rejected is due to the fact that the common agricultural policy, and here we take as the basis for our opposition the criticisms made by the Court of Auditors, is still being continued in the same way. If we continue in agriculture to apply measures of protection and refunds then in our opinion we are trying to smooth down a path which does not hold any solution to the crisis which we are now going through and which is continually becoming more unbearable. On the other hand, and as an example, I would remind you that the appropriations for the Social Fund in favour of handicapped people requested by the Committee on Social Affairs were reduced. This seems to us to be truly scandalous.

Next we come to the energy question, and here we note that what has been set aside is not sufficient and that, above all, these funds were earmarked for nuclear energy alone and for plutonium alone. This House thereby takes no account of the possibility of investing in alternative energy sectors or 'soft technology', and in this way has made a choice which makes us even more dependent upon 'hard' technology, a technology which we do not however possess.

The final reason, Madam President, why we ask that the budget be rejected, is one of internal management. We note that the funds set aside for expenditure on the Commission and the Parliament have been badly managed, squandered and insufficient. The real problem here is that of 'the jungle of remuneration' which places the members of the Commission and those of this House in completely opposite camps. In addition, Madam President, if, as is the case, not all political groups are included in the restricted Bureau of the President, then it is impossible to ask groups who are excluded from it to approve a budget for internal administration in whose decision-making process they have not been able to participate in, and of whose contents they are not aware.

*(Parliament rejects the motion)*

**President.** — I call Mr Martin to present the motion for total rejection (Doc. 1-735/80).

**Mr Martin.** — (*F*) Madam President, ladies and gentlemen, for the French Communist and their Allies

this 1981 budget is one of austerity, of unemployment and of regression in the economic and social fields. It is aimed at speeding up the policy of industrial reorganization, which means destroying many sectors of the economy and in particular the steel, coal, shipbuilding, textile and fishing industries. The few social measures included in it will not sweeten the bitter pill for the workers of seeing their factories close.

Your 1981 budget continues the reorganization policy which suits the multinationals. The cornerstone of this approach is the enlargement of the common market. This enlargement would have serious consequences for workers in general and especially for farmers in the southern regions of the Community, but also for those in the applicant countries. Your 1981 budget contains a rich and royal gift for Mrs Thatcher, which we continue to view as unacceptable and unjustifiable.

In an amendment tabled by our colleague Mr Marchais we proposed that these thousands of millions in funds should be made available for financing the increase in farm prices. Not only did you reject this proposal, but your 1981 budget continues the onslaught on the incomes of smallholders and medium-sized farmers in the Community. Reducing EAGGF appropriations by 2 % and funds relating to aid for skimmed milk powder by 50 million EUA — a decision which you had the Council adopt — means that you have delivered a new and serious blow to farmers' livelihoods.

In a word, this budget merely reflects the broad lines of the policies of the majority of this House, policies which steadfastly ignore the best interests of farmers and workers, particularly in France. I should like to add that behind the superficial differences of opinion between the Council and Parliament, there is real and far-reaching agreement on these objectives, that is on enlargement, on a reorganization of the common agricultural policy, and on an antisocial policy which will destroy industries.

This is why the French Communist Members and their Allies ask that Parliament approve our motion for total rejection of the draft budget.

*(Parliament rejected the motion)*

**President.** — I call Mr de la Malène to present the motion for total rejection which we have just decided to consider.

**Mr de la Malène** — (*F*) Madam President, I should first of all like to thank all the Members for the sense of fair-play they have displayed in adopting the procedure we are using. I also thank you, Madam President. To avoid wasting time, I shall simply read the recitals to our motion for a resolution:

de la Malène

*The European Parliament*

- considering that the draft 1981 budget has got this far despite two elements liable to jeopardize the aims of the common agricultural policy;
- considering that the 30 May agreement in fact struck at one of the cornerstone of the common agricultural policy, that is financial solidarity;
- considering furthermore that another cornerstone of the common agricultural policy, that is Community preference, has been drastically affected not just by this agreement but also by constantly prolonging transitional periods;
- whereas the Council, having now decided to accept a reduction in funds for the EAGGF, has gone one step further towards dismantling the common agricultural policy and that this even threatens to have a profound effect on the necessary upgrading of farm prices;
- considering that this attitude is all the more serious since the Commission has, pursuant to Council directives, begun work on drawing up proposals on the future of the common agricultural policy, and that it may well find further reasons for carrying out fundamental alterations in it;
- whereas no compensation has been made for these Council decisions, either by implementing new common policies, or by greater efforts being made in the realms of employment, transport, development, cultural or energy policies; decides for these reasons to reject the draft budget for the financial year 1981.

I should like to add that we request a roll-call vote on this motion.

*(Parliament rejected the motion by electronic vote)*

**President.** — I call Mr Romualdi for an explanation of vote.

**Mr Romualdi.** — *(I)* Madam President, it is the belief of our group that the Council, the Commission and Parliament itself, now that it has rejected this morning all the amendments, especially those on social and regional policy, have shown a total lack of awareness of the responsibilities which were conferred on this Parliament by the people of Europe.

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**President.** — I have received from Mr Bonde and others a proposal for a decision (Doc. 1-736/80) on the fixing of a new maximum rate of increase of expenditure.

The general practice of the House — and we have discussed this before — is to regard the budget

adopted at the second reading by Parliament as a proposal to increase the rate. I do not think that there is therefore any need to put this proposal to the vote.

Since there are no objections, that is agreed.

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**President.** — We shall now consider the *motion for a resolution contained in the Ansquer report (Doc. 1-706/80)*.

I call Mr Dankert.

**Mr Dankert, rapporteur.** — *(F)* In view of the problems in increasing the rate which the adoption of certain amendments involves, I think it might be better if we heard the Council's view of this budget first.

**President.** — I call Mr Santer.

**Mr Santer, President-in-Office of the Council.** — *(F)* Madam President, as I said earlier in reply to a specific question posed by Mr Scott-Hopkins, the Council's offer refers to both financial years, in other words, to both supplementary budget No 2 for 1980 and the general budget for 1981. If now, as a result of Parliament's vote on the new rate of increase, I can no longer express an opinion on behalf of the Council, the Presidency will ensure that the Council consider the two draft budgets as soon as possible, in accordance with the procedure laid down in Article 203 of the Treaty.

*(Parliament adopted the preamble)*

**President.** — On paragraph 1, Mr Bonde has tabled Amendment No 1 seeking to reword the paragraph as follows:

Regrets that the amendments it had tabled to Section I of the draft general budget for 1981 have not been modified by the Council; is surprised that, at a time of austerity, the governments of the nine Member States should allow the Assembly to introduce a new constituency allowance; notes that the numerous allowances granted by the Assembly to its Members in fact undermine the Member States' agreement to fix Members' remunerations nationally.

What is the rapporteur's position?

**Mr Ansquer, rapporteur.** — *(F)* The Committee on Budgets was not in favour.

### Ansquer

*(Parliament rejected Amendment No 1 and adopted successively paragraph 1, paragraphs 2 to 7 and the motion for a resolution as a whole)*

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**President.** — We shall now consider the *motion for a resolution contained in the Adonnino report (Doc. 1-705/80)*.

On the first and second indents of the preamble, Mr Adonnino on behalf of the Committee on Budgets has tabled Amendment No 17 seeking to add the following at the first indent:

and the third letter of amendment dated 12 December 1980

and the following at the second indent:

as well as the cooperation meeting of 17 December 1980.

*(Parliament adopted successively Amendment No 17, the last three indents of the preamble and paragraphs 1 to 3)*

I have two amendments on paragraph 4:

— Amendment No 8, by Mr Adonnino on behalf of the Committee on Budgets, seeking to amend and expand the paragraph as follows:

Notes, however, that the obligation to select a certain number of priorities emphasized at the first reading can be met solely by entering certain appropriations in supplementary budget No 2 for 1980, since for that financial year Parliament still has available a margin in respect of non-compulsory expenditure for payment appropriations; points out that the priorities which it confirms in this supplementary budget for 1980 relate in particular to social and regional action, including social measures in favour of the steel industry;

— Amendment No 1 by the Socialist Group seeking to reword the last line of the paragraph as follows:

... social (including social measures for the steel industry) and regional action.

*(Parliament adopted Amendment No 18 — which meant that Amendment No 1 fell — by electronic vote and then paragraph 4 as amended)*

On paragraph 5, Mr Jaquet and Mr Motchane have tabled Amendment No 7 seeking to delete the paragraph.

What is the rapporteur's position?

**Mr Adonnino, rapporteur.** — (F) Unfavourable, Madam President.

*(Parliament rejected Amendment No 7 and adopted paragraph 5)*

**President.** — I have three amendments on paragraph 6:

— Amendment No 8 by Mr Jaquet and Mr Motchane seeking to delete the paragraph;

— Amendment No 2 by the Socialist Group seeking to reword the paragraph as follows:

Reaffirms its decision with regard to the development of agriculture expenditure in 1981 as stated in paragraph 15 of the resolution adopted on 6 November 1980;

— Amendment No 19 by Mr Adonnino on behalf of the Committee on Budgets (identical with Amendment No 2).

What is the rapporteur's position?

**Mr Adonnino, rapporteur.** — (F) I naturally support Amendments Nos 19 and 2. I am against Amendment No 8.

*(Parliament rejected Amendment No 8 and adopted Amendments Nos 2 and 19 and then paragraph 7)*

**President.** — On paragraph 8, Mr Adonnino on behalf of the Committee on Budgets has tabled Amendment No 20 seeking to delete the words *or reserves* at the end of the first line of the paragraph.

*(Parliament adopted successively Amendment No 20, paragraph 8 as amended and paragraph 9)*

On paragraph 10, the Socialist Group has tabled Amendment No 12 seeking to reword the paragraph as follows:

Notes that the Council has paid scant attention to the priorities fixed by Parliament in the Ferrero resolution on hunger in the world and declares that it will continue its effort, particularly budgetary, to promote development policy.

What is the rapporteur's position?

**Mr Adonnino, rapporteur.** — (F) In favour, Madam President.

*(Parliament adopted Amendment No 12)*

**President.** — On paragraph 11, the Socialist Group has tabled Amendment No 11 seeking to reword the paragraph as follows:

Decides to reinstate certain appropriations, particularly in the areas of food aid, the non-associated developing countries and emergency disaster aid, to enable Community policy to be continued in this area in 1981.

What is the rapporteur's position?



**Mr Adonnino, rapporteur.** — (F) Against. This text was approved and submitted before our change of strategy on the 1981 budget. It refers to food aid which is now irrelevant.

**President.** — I call Mr Arndt.

**Mr Arndt.** — (D) I am sorry, but we shall have to withdraw this amendment as it no longer has the support of the House.

(Parliament adopted paragraph 11)

**President.** — On paragraph 12, the Socialist Group has tabled Amendment No 3 seeking to reword the paragraph as follows:

Would regret profoundly if the problem of classification of food aid appropriations had any negative effect on this humanitarian action and reiterates that Parliament considers this to be non-compulsory expenditure and wishes to discuss the matter with the Council at the end of the present procedure.

What is the rapporteur's position?

**Mr Adonnino, rapporteur.** — (F) In favour.

(Parliament adopted Amendment No 3 and then paragraph 13)

**President.** — I have two amendments on paragraph 14:

— Amendment No 21, by Mr Adonnino on behalf of the Committee on Budgets, seeking to delete the paragraph;

— Amendment No 4 by the Socialist Group seeking to reword the paragraph as follows:

Decides, therefore, to reinstate the appropriations needed to permit at least the normal development of the Social and Regional Funds which together constitute one of the most solid foundations of European unification.

What is the rapporteur's position?

**Mr Adonnino, rapporteur.** — (I) As I have already indicated with my amendment, Madam President, I am in favour of deleting this paragraph, because a solution to the problems of the Regional and Social Funds can be found in the supplementary budget No 2 for 1980.

(Parliament adopted Amendment No 21, which meant that Amendment No 4 fell)

**President.** — On paragraph 15, I have two identical amendments seeking to delete the paragraph:

— Amendment No 22 by Mr Adonnino on behalf of the Committee on Budgets;

— Amendment No 5 by the Socialist Group.

(Parliament adopted Amendments Nos 22 and 5)

On paragraph 16, I have two similar amendments seeking to reword the paragraph:

— Amendment No 6 by the Socialist Group:

Considers that this crisis poses for the Community a general social and economic problem and that therefore the necessary finance must be made available in 1981;

— Amendment No 23 by Mr Adonnino on behalf of the Committee on Budgets:

Considers that the crisis in the steel industry poses for the Community a general social and economic problem and that the necessary appropriations should therefore be available in 1981.

What is the rapporteur's position?

**Mr Adonnino, rapporteur.** — (I) Let me point out, Madam President, that while the substance of these amendments is the same, the form is not. I think that my amendment is more comprehensive because it specifically states the crisis is affecting the steel industry.

**President.** — I call Mr Arndt.

**Mr Arndt.** — (D) The rapporteur is right. Since the whole motion was changed, the rapporteur's text is right. We withdraw our amendment in favour of the amendment tabled by the rapporteur.

(Parliament adopted Amendment No 23)

**President.** — On paragraph 17, Mr Adonnino on behalf of the Committee on Budgets has tabled Amendment No 24 seeking to delete the following in the paragraph:

... while attempting to restrain the financial consequences for the financial year 1981.

(Parliament adopted Amendment No 24 and then paragraph 17 as amended)

I have two amendments on paragraphs 18 to 20:

— Amendment No 13 by Mr Bonde seeking to delete the paragraphs;

— Amendment No 9 by Mr Jaquet and Mr Motchane seeking to delete the following from paragraph 20:

Reiterates its position that all new policies must be classified as non-compulsory expenditure (rest unchanged).

What is the rapporteur's position?

**Mr Adonnino, rapporteur.** — (I) I am against, Madam President.

*(Parliament rejected Amendment No 13, adopted paragraphs 18 and 19, rejected Amendment No 9 and adopted paragraph 20)*

**President.** — On paragraphs 21 to 23, Mr Bonde has tabled Amendment No 14 seeking to delete the paragraphs.

What is the rapporteur's position?

**Mr Adonnino, rapporteur.** — (I) I am against, Madam President.

*(Parliament rejected Amendment No 14 and adopted paragraphs 21 to 23 and then paragraph 24)*

**President.** — On paragraphs 25 and 26, Mr Bonde has tabled Amendment No 15 seeking to delete the paragraphs.

What is the rapporteur's position?

**Mr Adonnino, rapporteur.** — (I) I am against, Madam President.

*(Parliament rejected Amendment No 15 and adopted paragraphs 25 and 26 and then paragraphs 27 and 28)*

**President.** — After paragraph 28, Mr Adonnino on behalf of the Committee on Budgets has tabled Amendment No 25 seeking to add the following new heading and paragraph:

*Aid for the disaster areas in Italy*

Welcomes the financial measures that will enable the Community to contribute in 1981 to the work of reconstruction being carried out by Italy following the November 1980 disaster.

*(Parliament adopted Amendment No 25)*

On paragraph 29, Mr Jaquet and Mr Motchane have tabled Amendment No 10 seeking to delete the paragraph.

What is the rapporteur's position?

**Mr Adonnino, rapporteur.** — (I) I am against, Madam President.

*(Parliament rejected Amendment No 10 and adopted paragraph 29)*

**President.** — After paragraph 29, Mr Bonde has tabled Amendment No 16 seeking to insert the following new paragraph:

Notes that the Assembly may increase expenditure over the maximum rate only if agreement is reached on a new maximum rate pursuant to the fifth subparagraph of Article 203 (9) of the EEC Treaty; Notes that the Assembly has not yet adopted any such proposal for a new maximum rate or endorsed the Council's proposal for a new maximum rate; Therefore concludes that the Council's proposal has not yet been amended by the Assembly.

What is the rapporteur's position?

**Mr Adonnino, rapporteur.** — (I) I am against, Madam President.

*(Parliament rejected Amendment No 16)*

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

The House will rise.

*(The sitting was suspended at 1.45 p.m. and resumed at 3 p.m.)*

IN THE CHAIR: MRS VEIL

*President*

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

I call Mr Balfe on a point of order.

**Mr Balfe.** — Madam President, I rise to make a point of order about yet another aspect of the totally unsatisfactory way Luxembourg functions as a supposed centre for us.

During the course of this morning my office telephoned through two urgent messages for me which were taken by the service outside. I sat in this Chamber all morning from the very first moment you were here to the end, and I did not leave this seat except to take a few paces. At lunchtime, when I rang my office, I was informed of this. I went to the message-taking service. There were no people there. I did, however, find not only my own message on the desk in duplicate, but also seven other messages scattered around for Members of this House. No service coverage, although I might observe that there were a considerable number of people in the bar who could have been doing this job.

Can I ask, Madam President, that the presidency itself should personally investigate what for me has been a slightly costly mistake which certainly should not occur in this Parliament, and that some attempt be made to get the staff out of the bar and to work?

**President.** — Mr Balfe, I shall investigate why these messages were not delivered as soon as they were received.

Explanations of vote may now be given.

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

**Mr Arndt.** — (*D*) Madam President, what we are talking about now is the rapporteur's motion for a resolution, which is characterized by an amazing number of gaps. It simply no longer bears any resemblance to the text we were presented with in this House on Tuesday. During the midday break, I reread certain speeches, in particular those of members of the Christian-Democratic Group on Tuesday, and comparing those speeches with the same Members' behaviour in today's vote, I am not sure whether my reaction should be one of anger or indignation. I cannot but feel sorry for a group which voted for certain amendments at ten minutes past midnight this morning in the Committee on Budgets, and now — only ten hours later — has changed course here in plenary session.

I therefore regret to say that there are a number of points in this motion for a resolution which clearly show that the rapporteur too was left in the lurch by his group when it came to the vote. The part of the motion for a resolution under the heading 'Energy' which 'confirms the priority already accorded to this sector of expenditure on the first reading . . .' does not accord with the votes cast by the Christian Democrats and the majority of this House . . .

(*Applause*)

. . . because the fact is that there was a majority of 148 to 144 in favour of the energy amendments. The reason why energy is not a central element in this budget is quite simply because the Christian Democrats failed to keep their word and abstained when it came to the vote.

(*Applause*)

That is why so many other things no longer fall into place.

(*Applause*)

I must say that I find the last line of the motion for a resolution — Conclusions, paragraph 29 — quite amusing. It goes: '(the European Parliament) considers that the positions outlined above demonstrate the continuity of the budgetary policy followed by Parliament since the 1980 budget was rejected.' The fact is that these Christian Democrats have once again disrupted the continuity of their own policy, just as they did in connection with the draft budget for 1980

this summer. This report no longer accords with the decisions taken by the House today.

All right, let us just note that fact, because we realize that we must drum up 206 votes *for* something. I should like to announce on behalf of the Socialist Group that we shall be tabling a motion at the beginning of next year requiring the Commission to submit a supplementary budget for 1981, incorporating precisely those points which you felt yesterday should be adopted by this House. Our aim in so doing is to force you at long last to abandon your persistent policy of U-turns.

(*Applause*)

Given the kind of behaviour shown by the majority of this House, we do not see how this motion for a resolution can possibly be passed. We believe that the budget will be adopted even without it, and we shall be voting against the motion for a resolution in an attempt to protect the rapporteur from his own group.

(*Applause*)

**President.** — I call Sir Frederick Warner.

**Sir Frederick Warner.** — That was a very stirring speech which I, like all the other Members, enjoyed.

My explanation of vote is a purely personal one. I voted for the budget partly because in the European Democratic Group we make a practice of always voting with our leader once we have agreed to do so and partly because I believed it to be of enormous importance that the budget should be adopted. But I must say it was to me a matter of very grave disappointment that at a time when we voted ourselves two or three hundred million extra units of account, we could not find the means to increase our effort in the North-South Dialogue and to produce more money for food aid for non-associated territories and for other things which we know this Parliament should be encouraging and doing. I therefore wish to put on record my profound dissatisfaction with the way in which this parliament was made to produce a solution of compromise and expediency instead of what it really wished to do and would have done according to its own better judgment.

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

**Mr Gouthier.** — (*I*) Madam President, ladies and gentlemen, I should like to state on behalf of the Italian Communists and their Allies that we shall vote against the motion for a resolution tabled by Mr Adonnino. This is meant as a drastic indictment of a budget whose negative aspects we singled out from the

**Gauthier**

very start, when we stated that it would be difficult to go beyond the limits set to it. Even though we started from a totally negative standpoint, we acted with a sense of responsibility and made positive proposals in an effort, together with other democratic groups in this House, to improve, even in their details, the main headings of the budget. We made a straight political effort to make clear the commitments which face Parliament, naturally enough, but also those facing the Commission and the Council, because we should like the much referred to June deadlines for the reform of the CAP and for new steps towards reforming own resources to be changed from mere words, which have been repeated for years, into actions. For this reason, we viewed the voting on our amendment which took place during the first reading of the budget as positive. But how did matters then progress? We saw that amongst the groups of the majority there was indeed room for agreement with us on the political assessment of the budget, but as time went on and we came up against hard facts and actual options then we found ourselves — as is the case today — faced with a motion for a resolution which, as we stated during the meeting of the Committee on Budgets, represents a striking departure from the traditional attitude of Parliament. Paragraph 29 of this motion, is in our opinion far from the truth. We denounced this just as we denounced the attempts made in this matter to mix the true facts of the political situation up with purely technical manoeuvres.

Our assessment of the budget, which — I must admit — is now a very harsh and negative one was further strengthened by the way the majority groups behaved in this House, and in particular by the behaviour of the European People's Party. What could previously have been termed suspicions or fears about the danger of Parliament's departing from its normal attitude, have today — as we have seen — been brought to light, because now the attitude of the majority groups has led to the refusal of major amendments concerning social policy, energy, development, regional policy and many others. For this reason, we maintain our clear, firm opposition to this motion for a resolution, thereby taking it upon ourselves to continue to fight the good fight which will allow the Community to develop its policies in these essential fields of industry, energy and good relations with the countries of the Third World, these matters being vital for the survival and future of our Community.

We think it is right that Parliament should quickly tackle the problem of own resources but similarly we should like Parliament today to make clear its determination to fight and not, as the majority wished, its willingness to surrender, a willingness which far from having shored up Parliament's position, has undermined it.

Therefore, I vote against Mr Adonnino's motion for a resolution.

*(Applause from the left)*

**President.** — I call Mrs Gaiotti de Biase.

**Mrs Gaiotti de Biase.** — (*I*) Madam President, ladies and gentlemen, my explanation of vote is a purely personal one and is particularly focussed on the problems of the sector of education and youth policy.

The procedure we have adopted means that voting on the budget is inextricably linked to voting on Mr Adonnino's motion for a resolution. It is with some embarrassment, and precisely because of this embarrassment, that I should like to say that I feel a need to justify — to an even greater extent than to Parliament — to my electors and to myself the reasons why I am voting in favour of the budget. We have no reason to be satisfied with this budget. We have no reasons, neither from the point of view of the general approach, nor of specific sectors in which many of us work. The whole process of this budget has once more confirmed what a mean and narrowminded conception the Council has of Community policies and of the process of integration. It almost seems as if the Community is a luxury which we can only afford during years of plenty, and which needs to be scaled down and reduced if economic pressure becomes too heavy. The disparity between the public statements made by the Council and the policies it pursues have now become a scandal, an orgy of empty gestures.

I can find no reason either to be satisfied from the specific point of view which concerns me as coordinator for my group on the Committee on Youth and Culture. On this topic, the obvious lack of good faith and double-dealing of the Council which has meant that since 1976 the education programme has been unworkable, was matched by Parliament's lack of concentration, even if this was only registered by the small number of votes and lateness in returning to work after lunch. This is not a frivolous detail. This too can be put down to the working conditions of Parliament, to the inconveniences and lack of organization caused by having a number of seats. The fact that merely symbolic items relating to policies on education and culture were rejected shows a lack of understanding of the very root cause of the economic and social crisis Europe is now undergoing. We did not wish to add to the profusion of words by tabling amendments to a motion for a resolution — what we want are actions.

Mr Adonnino's clever study made possible some brilliant 'feats of budgetary engineering' whose future potential no-one can, or should, underestimate. But the Community will not extend its policies or its role in the world by using such wizardry, if it is not backed up by clear coherent and determined policies. What has happened during this year and halfway through the life of this Parliament may be summed up in one sentence:

It has led to the destruction of the myth from which this Parliament issued and has existed, that of its budgetary powers.

**Gaiotti de Biase**

This is the myth that it is through budgetary powers that Community policies may be built up and that we can progress along the path towards Community integration, and that this exerts the pressure which will overcome the Community's inertia. Now that this myth has been dispelled, Parliament ought to react over the next few months by obtaining for itself in other fields and in different forms a real parliamentary power which it today no longer has. The voting on the budget has in this way been reduced to a fairly unimportant parliamentary ritual, within which Parliament has no possible room for manoeuvre other than between the very realistic boundaries set by the unbending relationship which exists between income and expenditure. Since the budget has lost all its significance as a reaffirmation of belief in Europe sentiment, then we can in this respect vote in favour of it, even if we shall vote with scepticism — but not resignation — and our basic motivation will be the need to further as best we can the life of the Community. We reject the illusion, Madam President, that this vote can of itself be a pointer to possible ways of progressing towards better things. It will be our difficult task to progress towards better things in the months to come.

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

**Mr Bangemann.** — (D) Madam President, any budgetary debate must be based on the principles of budgetary honesty and clarity. The Committee on Budgetary Control is very keen on the Commission adhering to the budget wherever possible and not straying too far from what originally decided under the various budget headings. But what have we done today? We have committed the lion's share of the increases we tacked on to the Council's decisions to a supplementary budget with a range of measures under the terms of the Social Fund. Everyone realizes of course that this is a purely cosmetic arrangement. When the time comes, the money will simply be taken out of the Social Fund and allocated somewhere else. No-one knows where or under what conditions, and no-one can say today who can be held politically responsible for such an action. This is a violation of the principle of budgetary honesty and clarity, and cannot be justified as a tactical measure.

I myself was a member of the Committee on Budgets for a long time, and I should like to say to that committee that anything can be taken too far. You have already heard other Members say today that the budget experts have overdone the tactical manoeuvring. They may even have led us into a quagmire from which we shall find it difficult to extricate ourselves.

*(Applause from the right)*

On top of that, we have for the very first time — and in saying this I am aware of Mr Santer's presence —

seen the Council make concessions to Parliament. The Council's very first decision on 287 million EUA was a favourable omen. We had a frank and open discussion which we could have continued. But instead what did we do? We resorted to tricks and tactical dodges and thus soured future relations with the Council.

That is one reason why my group will be voting against Mr Adonnino's motion for a resolution. The second is that all the groups are perfectly well aware that, if we are to get the required majority of 206 votes, everyone must be prepared to make a few concessions. But everyone must also be prepared to declare his interests openly. My group has done precisely that in identifying two central elements — development policy in the wake of the debate on world hunger and energy policy. What have we achieved in these two fields? Nothing, but nothing! We have simply destroyed whatever good was done by the debate on world hunger.

*(Applause from the right)*

All we have got for the urgent energy problems is a niggardly few million units of account. I am not blaming Mr Adonnino personally, but cooperation in this House is not possible unless every group is prepared to make at least a minimal contribution. Because that has not happened here, we have resolved to vote against the supplementary budget and shall therefore be voting against Mr Adonnino's motion for a resolution.

*(Applause)*

**President.** — I call Mr Romualdi, non-attached.

**Mr Romualdi.** — (I) Madam President, ladies and gentlemen, we have already on other occasions bemoaned the seriousness of our situation in which the way the Commission and the Council imposes the budget on us prevents Parliament from developing the Community policies needed to solve the serious problems it is responsible for solving. I refer in particular — as has already been stressed here — to the Social Fund, to regional and energy policies. The Community needs to have ever firmer foundations and to be provided with sufficient own resources to perform the tasks which are expected of it and to give adequate expression, in accordance with the hopes of the peoples who elected us to this House, to the spheres of freedom and political independence which are proper to the Community. The Community ought to be given instruments and means to overcome the obstacles which governments, via the Council, for reasons which are at times quite comprehensible and are perhaps still historically valid, continue to place in the path of European unity and of the move towards closer union between our nations. For this reason, and since we are unable to have amendments which correspond to the views and requirements adopted by this House, we shall vote against the Adonnino report and therefore against the budget.

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

**Mr Ansquer.** — (*F*) Madam President, ladies and gentlemen, back at the first reading of the 1981 budget we stated our opposition to Mr Adonnino's motion for a resolution, because it contained measures which seemed to us to jeopardize the future of the common agricultural policy. I refer in particular to the 2 % reduction in funds allocated to the EAGGF.

Since that first reading, the situation is far from having improved. The Council has in fact accepted this 2 % reduction in EAGGF funds, and this is the first time — I must stress this point, the first time — that funds for compulsory expenditure allocated to the common agricultural policy have been reduced. We were justified, then, in thinking that at the second reading, both during discussions in the Committee on Budgets and in negotiations with the Council, some improvements would be made. This was not the case since, as Mr Bangemann has said, we did not obtain satisfaction for any of our policies. We feel that there is a gradual build-up of pressure on the common agricultural policy, without any real prospect being offered in return of establishing new common policies. Financial solidarity and Community preference are continually under attack, and these are the basic reasons why we shall vote against Mr Adonnino's motion for a resolution.

**President.** — I call Mr Balfe.

**Mr Balfe.** — Madam President, this morning we really have seen the Parliament rise to new depths! The wholesale voting down of amendment after amendment which would have been of benefit particularly to the United Kingdom is little short of a disgrace.

On my list here, which includes only some of them, we have seen all the textile amendments, the energy amendments, every single transport amendment go down, employment in the regions going down, social resources in the steel industry voted down, and a large number of others.

To quote yet more: next year, the International Year of the Handicapped — voted down; vocational training for the young: an amendment which actually said the number of unemployed persons under 25 has increased in all the Member States, representing 41.7 % of all unemployed in the Community — voted down; women: according to the justification, the rate of unemployment for men is 5.5, the rate for women is 7.6 — voted down; food: the justification says the amendment implements the commitments given in the Ferrero resolution on hunger in the world, adopted by this Parliament — voted down; quality of food: to see

that we send decent-quality food to the Third World — the amendment says both the European Parliament and the Court of Auditors have stressed the need for quality control of products — voted down. — All of them voted down with the help of the Conservatives from Britain, and all of them voted down in one of the shoddiest and most squalid manoeuvres we have seen in this Parliament for a long time.

I for once agree with Mr Bangemann. I think he is benefiting from the pair I gave him a month ago. There are too many people in this House becoming, in the words of a Tory politician of some years ago, too clever by half. If you keep on manoeuvring, if you keep on wandering around and trying to twist the budgetary procedure into something it was never meant to be, this House will end up in a position where it has no real power to influence the Community.

What are we going to see next — the supplementary budget for 1977 out of time to clear the balances? No, Madam President, we have to draw a line. We feel that this budget has nothing to offer the working people of Europe, and we accordingly shall be voting against the Adonnino resolution.

**President.** — I call Mr Konrad Schön.

**Mr Konrad Schön.** — (*D*) Madam President, ladies and gentlemen first of all I should like to explain to Mr Arndt that my colleagues and I who spoke in the budget debate do not have to allow ourselves to be accused of making a U-turn. Our group has examined the question thoroughly. Had we followed Mr Arndt, we would have been pursuing a policy of 'all or nothing'. I believe that, after the Council showed willingness to compromise in the conciliation, the policy of 'all at once' would definitely not have been the right one, and what we would in fact have achieved would have been not 'all' but 'nothing'. Mr Arndt is better informed about the situation in the Council and the quarter from which we might then have met opposition.

Secondly, I think that if we had adopted a more unified position beforehand, we would have been in a better position when it came to the energy questions — after all we did succeed with one point — but then the Socialists would have had to change their tactics.

Thirdly, if you think about the extra 215 million between the first and second readings, and if you consider that in view of the margin of manoeuvre which will be available to us in 1981 — and I would remind you here of what Mr Tugendhat said — the extra even amounts to 300 million, available in the coming year, so that the accusation that we were risking our resources must, in my view, be refuted.

**President.** — I call Mr Taylor to speak on behalf of the European Democratic Group.

**Mr J. M. Taylor.** — Madam President, I have this opportunity to give the explanation of vote on behalf of my party, and I should like to say at the outset that I have the greatest possible sympathy, not least for two of my colleagues and other colleagues in this Parliament who have supported similar measures. I have in mind Sir Fred Warner and Stanley Johnson, both of whom have made known their considerable disappointment after many weeks, if not months, of work in proposing amendments to the budget and finding them part of a larger disappointing scheme of things, finding themselves frustrated through no want of their own preparation.

If there is to be blame apportioned for this — and no doubt many Members of this House feel in that kind of mood — then they can blame the Council, they can blame the system, they can blame the conciliation procedure if they like. This Parliament should learn its lesson that it is no good running a conciliation system to the very last minute of the budgetary process.

*(Interruptions)*

The conciliation system that is practised now will never work as long as the Council of Ministers arrives in a hurry, plans to stay for two hours, listens to Parliament, speaks only through its President, makes a modest offer and turns on its heel and goes away. That is no conciliation. We should be better off without conciliation if that is what we are going to have.

As for those — and Mr Bangemann is amongst them who criticize people who have devised tactics in this Parliament, well, I think their criticism is wrongly laid, although I understand their anxiety. This Parliament has learnt its tactics, like a sorcerer's apprentice, from the Council of Ministers. If you are given but 45 m u.a. and 24 hours to finalize your entire budgetary attitude, what do you do? Go to your group and say we have only 45 m, what do you want, and then expect it to be consistent with the priorities of the other groups?

That way lies an overbidding of the budget — inevitably, because the priorities of the individual groups will not match. The way each will spend the 45 million will be different from the others. So we overbid the budget and we do not have a budget, and then we are called irresponsible. So tactics have been employed in this House today where we knew it was enormously important to get the 1981 budget through: we know that this House is volatile, we know that the numbers perform unevenly and majorities are erratically assembled. One responsible group of this Parliament decided that the 1981 budget was going to go through and that it had to act as a restraining influence. We have done that, and we make no apology for it whatsoever.

Madam President, the opportunities now lie in supplementary budget No 2 and we shall use them. I say this

be well advised — as I understand it is rumoured — to call a Council meeting on Monday — however he conducts it, whether in person or through representatives as the case may be — and tell the Council that we are within our rights on the 1980 supplementary budget. That will give us the margin for our 30 m extra on 1981. Let us get the budget through and let us end this year with some sense of discipline!

Madam President, I conclude with my personal thanks and the thanks of my group to Mr Adonnino, who has coped manfully with a very difficult task.

*(Applause)*

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

**Mr Chambeiron.** — *(F)* Madam President, it was fortunate that Mr Taylor spoke before me because I was wondering what original point I could make. I was also wondering whether Mr Adonnino, after all the speeches I have just heard, was not going to be the only person to vote in favour of his own motion for a resolution. . . Fortunately, our British fellow Member gave him some support and as a result I am now in an easier position.

I should simply and very briefly like to explain the reasons why the French Communists and their Allies will vote against the motion tabled by Mr Adonnino. The policies behind this text are exactly the same as those which caused us to table a motion for rejecting the budget, which my friend Mr Martin spoke about this morning. The fact is that, apart from a few differences of opinion which for a Frenchman like myself remind me a little of the scenes one sees in *'théâtre de boulevard'* when lovers fall out and then make it all up with a kiss, we can see that basically the broad policies of national Governments, of the Commission or of the majority in this House are the same. Mr Martin was right in denouncing these, in particular when it comes to calling into question the common agricultural policy.

What we cannot accept is that budgetary procedure should be used as a means for imposing policies which go against the best interests of our peoples and especially of the workers. By so acting, the majority in this House is going beyond the powers it was granted by the budget treaties of 1970 and 1975, which we want to see observed. It was with this in mind that we tabled some amendments which were rejected and which led to our tabling a motion for rejecting the budget. We somewhat naively felt that during this morning's debate, the majority of the House, which does at times display some wisdom, would accept some of the amendments we wanted, in particular the one on food aid, because we had observed that for many Members of this House, food aid was more a question of fine words than of a determination to convert words into

**Chambeiron**

the appropriate deeds and seek ways and means of making policy on food aid more effective.

In short, I merely wish to say that Mr Adonnino, in his motion, is continuing the budget policy pursued by Parliament since 1980. I should like to make this plain. This is no more than a straight continuation of the policy we opposed in 1980 when we voted against Mr Dankert's motion.

The difference is that this year the majority has been forced, as a result of certain demonstrations of ill feeling, particularly from farmers, to show more caution. We were right before. There is no reason for us to change our position now. Therefore, we shall vote against the motion tabled by Mr Adonnino.

**President.** — I call Mr Bonde.

**Mr Bonde.** — *(DK)* Madam President, we have witnessed yet another instance of this House's gun-toting tactics with regard to the Council. Once again this year, this House is exceeding its powers by approving additional payment appropriations amounting to 24.5 million EUA and commitment appropriations amounting to 29.9 million EUA. According to the Treaty, nothing can be added to the Council's proposals unless this House fixes a new rate of increase. However, the House did not do so, which means that we must now call on the Council to declare that these are its final, definitive proposals. This House's proposed amendments are invalid under the Treaty; they are yet another instance of Parliament's attempts to wrest more control over the Community's purse strings. This is the first time Parliament has tried to use agricultural expenditure as a lever and to make inroads into compulsory expenditure. This was just a trial run; next year, the pressure will be that much greater unless the Council stands firm. Even the unfortunate earthquake in Italy was thought to be fair game to be used as ammunition in the fight against the Council. Let us take a look at the background to the supplementary budget. OK — there was 40 million EUA's worth of aid for the victims of the Italian earthquake, but that money is now being used as a weapon in the fight for more powers for Parliament, and instead of making Italy a general grant of 40 million EUA, Parliament's line is to grant 366 million EUA straight from the taxpayers' pocket. In Denmark, that would mean the need for 70 million Dkr more tax, and that at a time when serious consideration is being given to the introduction of charges for prescriptions issued to sick people. The Italian earthquake has also sent tremors running through the Danish Treasury. Clearly then, Madam President, the People's Movement will be voting against the Adonnino Report, and we would urge the Council to regard the amendments proposed by this House as contrary to the Treaty and to implement its own budget. If the Council fails to stop this House's demands for more control over the

Community's resources, it will find itself making concessions forevermore.

**President.** — I call Mr Brøndlund Nielsen on a point of order.

**Mr Brøndlund Nielsen.** — *(DK)* Madam President, I shall be very brief. As a Dane, I must protest at what we have heard just now. I must say that it is, in my opinion, quite right and proper — and I am convinced that these sentiments will be echoed by many of my fellow Danes — that we should be showing solidarity with the victims of the Italian earthquake. Mr Bonde's comments to the effect that the very modest amount committed here and its very modest effect on the Danish budget will set off tremors felt by the Danish taxpayers is a piece of sheer effrontery, and as a Dane, I am ashamed at what he had to say.

*(Applause)*

**President.** — I call Mr Motchane.

**Mr Motchane.** — *(F)* Nothing in life, Madam President, is more enduring than error. And nothing more fleeting than truth.

But it will be easy, Madam President, for me to tell you the truth, since we are pleased to accept that only the purest gems of truth are good enough for you.

The Europe of which this budget is the external manifestation is an ultraliberal Europe dominated by those who would like to make it into a federal entity; it is lastly and above all a Europe all of whose institutions, and here I include Parliament, are powerless to fulfill the demands of its population, of its workers who are faced with a crisis which is no earthquake, no natural disaster, but the work of political interests and forces whose representatives sit in this House and make up, Madam President, ladies and gentlemen, its majority.

This is why, as if I needed to say it, my fellow French Socialists and myself voted against the motion tabled by Mr Adonnino. As I can see, however, that many other Members did likewise, whilst none the less conniving in the political situation this budget betrays, I feel that we ought to be asking ourselves whether one of the weaknesses of this Parliament is not that it does things, or allows them to be done, without actually saying anything about them.

I should simply like to add that, just as we refuse to share the responsibilities assumed by the national governments through this budget, we have also refused to join in supporting the rejection of the budget, for which a motion was tabled by some of our fellow Members.



**Motchane**

Indeed, not only are we surprised that these Members should only now become aware of the errors they denounce, and of the motives which lead them to do something they did not feel to be necessary last year, but we also refuse, for our part, to freeze the operation of the only Community policy in existence, agricultural policy, whose shortcomings, inequalities and need for reform we are aware of, though we also know that the means for producing circumstances which would give us a different Europe and consequently a different budget, are to be found elsewhere, in political and social struggles, and not in this House.

**President.** — I call Mr Delatte.

**Mr Delatte.** — (*F*) Madam President, ladies and gentlemen, compared to the 1980 budget, the 1981 budget no doubt represents a shift in policy.

It is no longer possible, this year, to accuse the common agricultural policy of being the root of all evil since we know that the 1981 budget represents an increase of 20 % and agricultural spending only increases by 12 %. However, this 1981 budget gives us the chance to concentrate on other policies, such as the social, regional and energy policies, and I am pleased to note that an effort has been made.

But on farm expenditure, I have two points to make, as I did last spring. Firstly, in the Community, and principally amongst producers, there is a clear determination to reduce farm expenditure by better management. This can be achieved, as the last year has proved, even if up to now the Community has had a stick-in-the-mud trading policy. This year we can see emerging for the first time, both in Parliament and in the Commission, an awareness of the need, and a desire, to export farm produce.

Secondly, trends in world farm prices, not just for sugar or cereals but also for other produce, mean that there will be a large decrease in the amount of refunds. Thus, we can make savings by exporting. This observation is proof of how efficient the common agricultural policy is and I am convinced that in 1981 we will remain below the notorious 1 % VAT ceiling.

All this leads me to voice my firm conviction that in 1981 we shall be able to fund a substantial increase in farm prices. This is why the 2 % reserve fund Mr Adonnino suggests does not worry us. This 2 % saving will no doubt be far larger, because of savings made in the guarantee section of the EAGGF, and of increases in world farm prices, and I am certain that next spring we shall have the means to increase farm prices as they should be, thereby making possible an improvement in farmers' incomes.

Conversely, I am deeply sorry to have to note the Socialist amendment to paragraph 6 of Mr Adon-

nino's motion for a resolution, which states that as of now we should give up our right to any supplementary budget in 1981. It is, in my opinion, merely deluding ourselves to think that we can state today that we renounce our right to a supplementary budget when we are aware that farm expenditure is a function of other factors and that, come what may, we will have to meet our obligations. I maintain that discussions on the budget should not be changed into a discussion on farm prices or on improvements to the common agricultural policy. It is the job of the Committee on Agriculture, which is now drawing up a report on this matter, to do this.

This, Madam President, is another reason why, as Mr Bangemann said just now, we are unable to vote in favour of Mr Adonnino's motion for a resolution.

(*Applause*)

**President.** — I call Mr Capanna.

**Mr Capanna.** — (*I*) Madam President, it is a north wind which is filling the sails of this 1981 budget, but this wind is not pushing Europe towards the south but in the other direction.

The budget, in the form it has as a result of the rejection of many amendments (I have worked out that 94 % of the amendments tabled were rejected) gives new impetus to the scarcity of energy. It gives new impetus to an increase in the number of unemployed, which for the whole Community is already approximately 8 million, and it gives new impetus to the imbalance between regions.

If Parliament, Madam President, approves a budget of this sort today then it will make millions of Europeans pay in the future for its subservience towards the Council.

However, I do not need to give lengthy explanations of how we have both a moral and a political duty to vote against the motion for a resolution tabled by Mr Adonnino.

I shall naturally, Madam President, conclude by referring once more to my conviction that Europe ought officially to recognize the Palestine resistance movement.

**President.** — I call Mr Patterson.

**Mr Patterson.** — Madam President, like Mrs Gaiotti de Biase, I shall very reluctantly be voting for Mr Adonnino's resolution. I think that as we have now passed the budget this morning, it makes no sense to take our spleen out by voting against the resolution; but I imagine I speak for all those who represent the

**Patterson**

spending committees in this Parliament when I say that we feel we have been hijacked by this budgetary procedure. We understand well that total non-obligatory expenditure is limited by the position of the Council on the maximum rate — all budgets, after all, are about scarcity; but equally and in consequence, all budgets are also about priorities. In this case, almost as important as the question what are the priorities is the question who establishes the priorities. Now we in the specialist committees such as youth have put in many hours of detailed work. Quite apart from, for example, the education budget, two days ago I asked this Parliament to consider the extreme importance of a proper information policy so that what the Community is doing should be known by the people who elect us here; yet the matter has in practice been decided late last night by a tired Committee on Budgets allied to a tired Council of Ministers. This is not good enough. The scheme to put some of our amendments into the 1980 supplementary budget is ingenious; but what real opportunities were there to put amendments to this Dankert scheme? And when the committee put its package together last night, were the specialist committee draftsmen able to put their opinions? Well, I was not.

In conclusion, Madam President, may I say that many people outside could be forgiven for thinking that the budgetary procedure is a farce and should be changed. Next year we must avoid cynically bringing down the guillotine on the work of months in a frantic few night-hours. That, Madam President, brings credit neither on the Community nor on anybody concerned.

*(Applause)*

**President.** — I call Mr Cohen.

**Mr Cohen.** — *(NL)* Madam President, I should like to join the many who have already said they will vote against Mr Adonnino's resolution. I will join their ranks, because this motion for a resolution no longer fits the situation we ourselves created the way Mr Adonnino's fellow Christian Democrats voted this morning. When we voted on the resolution this morning, an amendment was proposed by a Socialist to paragraph 10 of the resolution. He suggested the following wording for this paragraph: 'notes that the Council have taken scant account of the priorities set by Parliament in the Ferrero Report on world hunger and declares its intention' — and this is the point — 'on continuing its endeavours to promote development policy, particularly through the budget'. This amendment was naturally drawn up, Madam President, before we cast our votes, in the hope that when we voted on the budget, we would be able to put these priorities into effect.

The Christian Democrats have prevented that happening. Their true colours are now revealed. Three months ago they voted for the Ferrero resolution and

now, now that actions must be suited to words, they default on their commitments. Everything we proposed in the field of food aid, in the field of aid to non-associated developing countries, in the field of the Community's policy on natural disasters, all that has been thrown out because the Christian Democrats were not ready to do what they promised to do just a few months ago.

This is why, Madam President, I will vote against the resolution, because I knew there would be no help for our amendments from the other side, from the British Conservatives. The Liberals, as Mr Bangemann has already said, hold the same views as us, they voted for the amendments and are against the Adonnino resolution as it now stands. The Christian Democrats and Conservatives in this Parliament have for the umpteenth time made a genuine development policy impossible!

*(Applause from certain quarters)*

**President.** — I call Mr Johnson.

**Mr Johnson.** — This is the first explanation of vote I have ever made: I hope it will be the last.

*(Cries of 'Hear, hear!')*

The problem is that the budgetary process, which is one of the real powers of this Parliament, is not transparent, and its lack of transparency has never been more obvious than in the events of the last few hours. The committee of which I am a member, the Committee on the Environment, Public Health and Consumer Protection, worked hard and prepared amendments, important amendments. The Committee on Budgets approved those amendments after long deliberation. Now what happens? Late at night priorities are re-assessed, approval which has been given is rescinded in some package deal. I understand the need for package deals — one would be mad not to understand that — but the process is not transparent. We are offered as part of the package deal the carrot that we can get what we want under a so-called supplementary budget — the Dankert proposal — but what do we find? I speak as a layman, Madam President. What do we find? We find that actually this is nonsense: the carrot does not exist, because the moment for tabling amendments under the Dankert proposal has already passed and there is no opportunity to recapture under Dankert what you lost under Adonnino.

So let nobody pretend that this process has been transparent! It is not transparent. It is actually a disgrace, and I follow Mr Patterson here. Committees did work hard; they had ideas; the Commission — would you believe it? — actually agreed with those ideas. Under great pressure, Mr Tugendhat, said, yes, he agreed with what was proposed, and it gets thrown

**Johnson**

out of the window. Now, sour grapes do nobody any good. I make one plea — and here I join my colleague, John Mark Taylor — that when we are doing serious work, let us not do it under the pressure of a late-night deadline. Further, may I please put one question to the Commission? This morning, Mr Tugendhat said — and I quote him exactly:

In the course of 1981, we will make every effort we possibly can to ensure that your desires, as expressed, are carried through.

Those are the words you used. Now what were you referring to? — The decisions of the Committee on Budgets taken seriously after due consideration in the three-day meeting of December, of the late-night package cooked up at the last minute under pressure of a Council ultimatum which appears not to have materialized?

*(Applause)*

**President.** — I call Mr Coppieters.

**Mr Coppieters.** — *(NL)* Madam President, I don't need to tell you that I am against the Adonnino resolution, but I would like to give a little thought to the statements made by some major groups in this House, other than the European People's Party, who have been very reticent: perhaps their conscience is still troubled by Ireland. Looking at these declarations, I am astonished that these groups did not support the motion to reject the budget which I tabled together with the Italian Radicals, because our motion reflected all their arguments. Clearly, Madam President, the majority of this Parliament does not want to have a clear view of the major problems confronting us; it doesn't dare to look clearly at the North-South Dialogue or the problem of hunger in the world, or at the social sector, where to our shame we have seen steel quotas being established without accompanying social measures. This is scandalous. All these groups stress the fact and yet they still reject the motions to throw out the budget. Madam President, ladies and gentlemen, all this was for a budget which is three-quarters that of the tiny Kingdom of Belgium. It is clear that some of our Member States are relying on your majorities, ladies and gentlemen, to prevent the realization of a united Europe.

*(Applause)*

**President.** — I call Mr Colla.

**Mr Colla.** — *(NL)* Madam President, ladies and gentlemen, it is true that I am speaking after Mr Tugendhat's speech yesterday, but perhaps my remarks will still be of some interest to him. I believe, ladies and gentlemen that, after the developments of

the last few hours of our budget debate and after the voting this morning, it is quite impossible for this Parliament to adopt any more resolutions. What is going on here? There is a supplementary 1980 budget which actually provides us with the funds we need. I am confident that this time, if there is a second reading, Parliament will stand its ground. This is money which should, really, be used for the Social Fund, though I am not sure whether we will ultimately be able to use them for the various aims we set ourselves, such as development cooperation, energy policy and social measures in the steel sector. It is because of this uncertainty that my group has tried to get at least a minimum number of amendments accepted, and to have them voted on in the 1981 budget debate. This was the reason, and I regret very much that there was not a greater majority this morning in Parliament, because I believe, as has already been said, that some people will find it hard to understand why Parliament has not come out clearly in favour of the proposals for the steel sector and of new proposals such as energy conservation. Here I am thinking in particular of the problems of loans, investments and interest rebates and of the report on hunger in the world. I hope, Madam President, that we can at least see this morning's voting as an indication that while these priorities are not endorsed by the majority of Parliament, there is at least a thought in the back of our minds that we all want the Commission to do its utmost to continue its efforts in these fields, which include new initiatives by Parliament, and to realize these priorities in a supplementary budget for 1980. Because my greatest fear is really, although I am a member of the Committee on Budgets, that strategic and technical aspects of the budget will mean that we will no longer be in a position to give a clear enough indication that we are going to do certain things in the energy field and intend to include specific items in the budget and that we are no longer in a position to take concrete steps on food aid, or that we are no longer in a position to take the necessary concrete steps in the steel sector. This is the risk we are running, and this is the problem facing us. I hope that I can take this morning's voting as an indication that these are still our priorities and that we will ultimately be able to use the accumulated resources from 1980 for these objectives, but I can support no motion in the present situation.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Two words, Madam President. First of all, clearly the Community is in a difficult position. I should like to say to the House that it will certainly be the intention of the Commission to seek to get us back into a normal budgetary situation in which the work of the Community can be carried forward as quickly as possible, and I hope that with the cooperation of the Council — obviously, not simply the presidency of the Council but also the Member States — we shall be able to start doing that early next week.

**Tugendhat**

Secondly, I should like to say that this is now the third year running in which we have ended up with a chaotic, a difficult situation at the end of the year. It really does seem to me that the time has come for the three institutions very carefully to think about the whole budgetary procedure, not just about the procedure itself but also about the way in which we actually carry it through, the sequence, the timing and everything else . . .

*(Applause)*

I hope very much that next year the two presidencies-in-office will be able to cooperate with you, Madam President, with the Parliament and with us in trying to find a better way of handling this issue, which is, after all, the one which brings the two — Council and Parliament — together and is vital to the success of the Community.

*(Applause)*

**President.** — I call Mr Lange on a point of order.

**Mr Lange, chairman of the Committee on Budgets.** — *(D)* Madam President, ladies and gentlemen, I have raised this point of order because I get the impression that we have been having another general debate in the last hour . . .

*(Applause)*

. . . under the false heading of explanations of vote. This is simple abuse of the rules. . .

*(Applause)*

. . . and I think the Bureau ought to deal with the matter, so that we can put a stop to this kind of thing in the future. We are just wasting each other's time. The decision could have been made much earlier.

I was tempted on various occasions to stand up and say something, because as time went on so many things were said which really could not go unchallenged since they were so completely false. I hope that mini-debates like this will no longer occur after this point of order of mine.

*(Applause)*

**President.** — Mr Lange, we cannot judge each time whether it is an explanation of vote or not. In any case, the Committee on the Rules of Procedure and Petitions will have to amend the Rules on this point.

I have received a request for a roll-call vote from the Socialist Group and the Liberal and Democratic Group.

*(Parliament rejected the motion for a resolution by roll-call vote)*

I call Lord Harmar-Nicholls on a point of order.

**Lord Harmar-Nicholls.** — Madam President, this is a continuation of the point made by Mr Lange a moment ago, and I think it ought to be reiterated whilst the incident is still clearly in our minds. We have clearly in our minds that over the last hour many people have not been explaining their own vote; they have been trying to influence the vote that eventually has got to be taken

*(Protests)*

and when the matter goes before the Committee on the Rules of Procedure and Petitions I believe they would be well advised to have the explanations of vote taken after the vote which has got to be explained and not before. Only in that way can we get the discipline we need.

*(Mixed reactions)*

**President.** — Lord Harmar-Nicholls, it is for the Committee on the Rules of Procedure and Petitions and for the House to decide when explanations of vote are to be given.

I call Mr Patterson.

**Mr Patterson.** — Madam President, will you please inform Mr Lange that the Committee on the Rules of Procedure and Petitions has already produced a report on this matter which would have done exactly what Mr Lange wanted, and it was Mr Lange's group that voted it down.

*(Applause)*

**President.** — I call Mr Adonnino.

**Mr Adonnino, rapporteur.** — *(I)* Madam President, ladies and gentlemen, as this stage in the budget procedure ends, I feel I have to express here in the Chamber my personal thanks — and I hope I am speaking for almost everyone — to all those who offered their able and unremitting collaboration. I am thinking especially of everyone who collaborated with the Committee on Budgets, from Mr Guccione to the other officials, secretaries and staff who by giving up their weekends and working at night enabled us to complete in short time a document which was extremely difficult and complex. I also have to thank the translators and those who worked with them.

*(Loud applause)*

**President.** — I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.** — (D) Madam President, ladies and gentlemen, you can make as much noise as you like; things will eventually quieten down. Mr Adonnino took it upon himself to do what I should have done. He was speaking about those involved in the work, and I want to stress this point: everyone who was involved. Let me say that all the rapporteurs — Mr Adonnino, Mr Ansquer and Mr Dankert — did their fair share of the work, quite apart from the way things have turned out today. We really should be thankful to them.

(Loud applause)

I should also like to thank formally all the staff who had to work so many extra hours, and indeed nights. This applies to the translators and the interpreters and everyone else, the printers and so on. Finally, Madam President, I should like to thank you for the manner in which you chaired the proceedings.

(Loud applause)

### 7. Agenda

**President.** — I have received from the Socialist Group a request for deferral to the January 1981 part-session of the continuation of the debate on the Bonaccini Report (Doc. 1-673/80) on the European automobile industry. The rapporteur and the committee agree to this request, and the list of speakers is of course closed.

(Parliament approved the request for deferral)

### 8. Votes

**President.** — The next item is the vote on the motions for resolutions on the earthquake in Italy. We shall begin with the *motion for a resolution contained in the de Ferranti Report (Doc. 1-733/80): Aid for areas devastated by the earthquake in Italy.*

I call Mr De Pasquale for an explanation of vote.

**Mr De Pasquale.** — (I) Madam President, my explanation of vote on this motion also refers to the next motion for a resolution.

We have been forthright in stating our dissatisfaction with the number, and especially the quality, of the measures adopted by the Community institutions in response to the earthquake in Italy. Similar feelings have been widely expressed elsewhere, and so I think

it was right to expect something more and something better. However, as we know only too well, even the most explicit political desires of this Parliament fail to have any effect on the pre-established solutions worked out by the Council and the Commission and are therefore no more than an expression of our desires with little practical consequence. Be that as it may, what we feel is clearly outlined both in the motion prepared by Mr de Ferranti on behalf of the Committee on Economic and Monetary Affairs and especially in the joint motion which bears our signature as well. In the latter document paragraph 4 says that the adopted measures will have to be looked at again and expanded, and it also says how.

For these reasons and with a view to reiterating Parliament's wishes, and in spite of all our criticisms, we shall be voting in favour of both motions for resolutions.

IN THE CHAIR: MR JAQUET

Vice-President

**President.** — I call Mr Beyer de Ryke on a point of order.

**Mr Beyer de Ryke.** — (F) We have just begun a whole series of votes. While we are at it, could we not go on right away to the election of a Quaestor?

**President.** — It is on the agenda, and we shall be voting shortly.

I call Mr de Ferranti.

**Mr de Ferranti.** — On a point of order: in order to avoid confusing the proposal for a decision and the motion for a resolution, could we not delay this vote for a few minutes to enable the amendments to be put to the vote in the correct order? After all, there are 350 000 people homeless in Italy, and we must deal with this matter seriously and competently.

(Applause)

**President.** — Since there are no objections, that is agreed.

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-738/80) by five political groups and Mrs Castellina: Earthquake in Italy.*

**President**

This motion for a resolution replaces the five other motions tabled on the same subject.

*(Parliament adopted the resolution)*

I call Mr Prag on a point of order.

**Mr Prag.** — I spoke yesterday about the English text of Document 1-738/80, which, to put it mildly, is nonsense. The disaster relief unit is referred to as the civil defence unit. The civil defence unit is concerned with protection against nuclear attack and air attack. I was given the assurance yesterday that the necessary corrections would be made, either in the minutes or in a revised text. The corrections have not been made and we are presented with a text in which paragraph 11 in the English version is complete nonsense and does not reflect what was negotiated by the groups. Moreover, it was understood in negotiation with the groups that the phrase 'at the request of the government concerned' would be put in. That has become another phrase with very little meaning. I have looked at the text in other languages. I understand that the French and Italian make sense, but certainly the English does not, and I do hope we can have a proper text and that this nonsense will not be repeated yet again.

**President.** — I note your statement, Mr Prag. The necessary corrections will be made — well, I hope.

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-743/80/rev.) by Mr Klepsch and others (EPP), Mr Glinne and others (S), Mr Berkhouwer and others (L), Mr Israël (EPD) and Mr Galuzzi and others: Situation in Poland.*

I call Mr Klepsch.

**Mr Klepsch.** — (D) Mr President, I am delighted that the initiative we have taken here has resulted in a joint text in the form of Motion No 743/rev. I wish to withdraw our Document No 718 in favour of this motion and the amendment tabled by the Conservative Group.

**President.** — I call Mr Berkhouwer.

**Mr Berkhouwer.** — (F) We second Mr Klepsch's proposal.

*(Parliament adopted the preamble and paragraph 1)*

**President.** — After paragraph 1, Mr Scott-Hopkins on behalf of the European Democratic Group has

tabled Amendment No 1 seeking to add the following new paragraph:

Expresses its determination that no third party shall profit from this emergency operation and requires the Commission to ensure that it reaches the civilian population for whom it is intended and that the origin of the food aid and the fact that it represents a substantial financial contribution by the people of the Community is made known to the recipients.

*(Parliament adopted Amendment No 1 by sitting and standing and then paragraphs 2 to 6)*

Explanations of vote may now be given. I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — (D) Mr President, I should like to give an explanation of vote. I should have been very happy to vote for this motion, but I am sorry to say that I can no longer do so after the adoption of this amendment by the European Democratic Group.

The text that has been adopted is an insult to the Polish people in my view. The text calls on the Commission to ensure that the aid reaches the civilian population for whom it is intended. I also think it is quite wrong to emphasize where the aid is coming from and to boast about the help we are giving. This is unworthy of the European Community. I am very sorry, now that this amendment has been adopted, but I shall have to abstain.

*(Applause from the right)*

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

**Mr Glinne.** — Mr President, my dear friend and colleague, Mr Sieglerschmidt, has got in ahead of me. I just want to say that in the coming weeks our group will take a calm look at the lessons to be learned from what has just happened. The point is that we had agreed in good faith — and it was unreserved on our side — on a text, the political sense of which could not be altered.

*(Applause from the Socialist Group)*

Our joint text no longer has the same significance, what with this amendment which has just been added with the apparent support — I am sorry to say — of the main co-authors of the motion.

At a time when we should have refrained from overplaying our hand, when we should have noted for example that the Polish Red Cross is capable of distributing the food aid, when we should have worked out a text which, if not unanimous, at least expressed the majority view of Parliament, and at a time when the Italian Communists for example were making an effort

**Glinne**

like everyone else to reach a consensus opinion, we suddenly get what I could call a renegade amendment which upsets the political balance of the motion. This is very significant in our view for the future. We shall abstain when the time comes to vote on the motion, although we were hoping to be able to vote in favour with the rest of Parliament.

**President.** — I call Mr Galluzzi.

**Mr Galluzzi.** — (*I*) Mr President, we are also shocked at what has happened. All of us together, and our group in particular, had put forward a motion for a resolution which represented a tremendous effort towards establishing a joint stance in the House, and one which could offer real and effective aid for a beneficial solution to the crisis in Poland.

If I am not mistaken, we all agreed that the amendment which the Conservative Group had already tabled in committee was inappropriate. In spite of this, the amendment was put forward again and adopted by the House.

The whole thing is wrong and inexcusable as far as the method is concerned, because this is not the way to keep promises. It is also wrong in the political sense because it is not going to help in any way the circumstances of the Poles at this troubled time, and it is not going to help Parliament's efforts to adopt an impartial line and make a real contribution to solving a problem which is tied to the peace and security of this continent of ours. For these reasons, Mr President, we intend to abstain from voting on this text which has been radically altered by this amendment. Instead, we shall vote for our motion which has not been withdrawn, the motion tabled by our chairman, Mr Fantì, and by other Italian members of the Communist and Allies Group.

**President.** — I call Mr Fergusson.

**Mr Fergusson.** — Mr President, what has been said really astounds me. In the first place our group, the European Democratic Group, did sign this original motion, although the fact that it has been signed in the name of our group does not seem to be on the piece of paper in front of me. There is a line which brackets together Mr Galluzzi, myself and Mr Scott-Hopkins. Of course, our group would welcome any kind of convert from any part of the House to our ways of thinking, but in fact Mr Scott-Hopkins and I had signed in the name of the group. It was entirely understood by all the other groups negotiating over this text that we were also going to put down this amendment and that this amendment would be open to a vote in the House. Now the fact that the vote on the amendment has gone our way should not surprise them and certainly should not vex them, because that amend-

ment is, as we pointed out at the time, entirely consistent with the original resolution with which we did not, and do not, disagree. It is therefore most regrettable that it should be suggested that anybody has in any way gone against an agreement that has been made, and it would be even more regrettable if anybody got the idea that the House was not solidly in favour of what has happened and solid with Poland in this matter.

**President.** — I call Mr Galland.

**Mr Galland.** — (*F*) Mr President, I am speaking for myself and I intend to be quite clear. I said this before with regard to Afghanistan and I am going to say it again in the case of Poland: it is vital when it comes to international affairs for this Parliament to show a broad consensus of opinion. I did not actually take part in any of the discussions, but if what the Socialist Group claims is true, if undertakings were given but have not been kept, I must say for my part that I should be inclined to read something into it, because I really could not stand for it. When we are dealing with matters as important as this, it is better to table a motion with almost the full support of the House, even if it means that we all have to make certain concessions. I want to make this quite clear. I am shocked at how this debate is ending.

(*Applause*)

**President.** — I call Mr Bruno Friedrich.

**Mr Bruno Friedrich.** — (*D*) Mr President, as someone who tries to encourage agreement in this Parliament and who in the past ten years has worked hard for reconciliation with Poland, I am sorry that the Conservatives have tabled this amendment, because it ignores reality. It was the Polish Government which came to the European Community for aid, after the Council had invited it to do so. I can only say that you grossly underestimate the Polish people and their access to information. Just think of the coverage the Polish media have given to the strikes, the Pope's visit and yesterday's events. Your amendment is an insult to the Polish people and brings shame on us. I must unhappily abstain from voting.

(*Applause from the right*)

**President.** — I call Mr Deschamps.

**Mr Deschamps.** — (*F*) Speaking for myself, Mr President, I second what was said just now by Mr Galland. And like the last speaker, I am also a friend of Poland. I am working with the same aim in mind and I should really be upset if something like this failed to get the unanimous backing of Parliament. Personally, I think it is dreadful.

**President.** — I call Mrs Lizin.

**Mrs Lizin.** — (*F*) Mr President, perhaps unlike Mr Friedrich, I cannot be counted among those who think that some kind of regular alliance between the Socialist Group and the right in the House is bound to be useful. I want to say for everyone to hear that what has happened in connection with this amendment by Mr Scott-Hopkins shows that the progressives in this Chamber want nothing to do with the disgraceful tactics employed here by the right in using the Polish workers.

**President.** — I call Mr Beyer de Ryke on a point of order.

**Mr Beyer de Ryke.** — (*F*) Mr President, ladies and gentlemen, in my view the speeches we have heard — including, I am sorry to say, the last one or two — are only making matters worse. It is also my view that, when dealing with a problem of this kind and of this importance, we have everything to gain by attempting to find a joint position. I propose that the authors of the motion get together to find a compromise, to see if there is not some way of reaching agreement, and I ask for the vote to be postponed.

*(Applause)*

**President.** — I call Mr Klepsch on a point of order.

**Mr Klepsch.** — (*D*) I find this manner of explaining votes quite outrageous, and we talked about it earlier. Most of these explanations have nothing to do with the vote but are just a debate on the matter. I realize that you could not prevent it, Mr President, but when someone gets indignant because the House voted differently from the way he expected, that is another matter and has nothing to do with explanations of vote. I just want to say how sorry I am that I withdrew our group's text in favour of the joint text, because I am sure it could have won the broad support of the House. We had in fact attempted to bring all sides in the House together.

I think it is disgraceful that we are now arguing about problems of interpretation. The Poles will have no trouble in deciding how to view the European Parliament's attitude. It does not matter here whether one Member or another takes this or that line, but we have to make a clear statement on aid for Poland. That is the point of this motion for a resolution. Can I please ask you, Mr President, to finish the voting on this?

**President.** — I think in fact that the debate should be closed as quickly as possible.

As Mr Beyer de Ryke's proposal is clearly not supported by the authors of the motion, it will have to be rejected.

I call Mrs Gaiotti de Biase.

**Mrs Gaiotti de Biase.** — (*I*) Mr President, the fact is I wanted to second the request which was made for a short adjournment of the proceedings. We spent a long time working on this, and just when it seemed that everyone was in agreement, matters have suddenly taken a turn for the worse.

Since you have called me for an explanation of vote, I am sorry to have to say that, if the matter is going to be put to the vote right away, I shall be obliged against my better judgment and my normal practice to vote for the Communist motion.

*(Applause from the Communist and Allies Group)*

**President.** — I call Mr Spinelli.

**Mr Spinelli.** — (*I*) Mr President, I think our sense of responsibility ought to equal that shown by the Polish workers, the Polish church and the Polish Government.

This is a difficult situation in which every word and every action has to be considered carefully. The stance adopted by the Community governments on Poland is on the whole judicious, and the same goes for the Commission view. I am surprised that the Commission does not feel obliged to say something by way of guidance for Parliament.

I think the best course at the moment is to ask the authors of the motion to agree on a text which expresses the joint view of this Parliament and to have it put to the vote tomorrow, otherwise we shall be running the risk of contradicting the political stance adopted by all nine Member States, not just one of them.

*(Applause from the left)*

**President.** — I call Mr Pelikan.

**Mr Pelikan.** — (*F*) Mr President, I wanted to give an explanation of vote and make a similar proposal to Mr Spinelli's, by calling on Parliament not to get itself bogged down in this debate. If a compromise solution cannot be found on the basis of this joint motion, I propose as a basis the motion tabled by the Italian Communists. You have to admit, if this motion is much more consistent, it is because it does not concentrate on economic and food aid for Poland, which is



**Pelikan**

not the crux of the matter. The essential problem is safeguarding the rights of the Polish workers and people and promoting the process of renewal in spite of foreign pressure and interference. The Italian Communist motion is the best basis for this in my view. We have to rise above political prejudice and reach common ground on the basis of this motion.

**President.** — I call Mr Poniatowski on a point of order.

**Mr Poniatowski.** — (*F*) Mr President, ladies and gentlemen, I shall be above political suspicion after uttering the opinion I am about to give. For 25 years I have shown a keen interest in events in Poland and I have known personally all the Polish leaders, and I still know them today. We all know that Poland is going through a tremendously difficult time, but it is also showing that it can be united, as we all saw yesterday. There is unity among the trade unions and between the church and the government. I have to say that Parliament's response to this unity is woeful. If, in these difficult circumstances we express such disparate views in response to this unity, we are going to give a very sorrowful image of what we are here. I should like to ask Mr Scott-Hopkins if he would agree to withdraw his amendment, so that the joint text which was agreed on can get the unanimous approval of the House.

(*Applause*)

**President.** — I call Mr Brandt.

**Mr Brandt.** — (*D*) Like the other Members, Mr President, I can only give my explanation of vote now. I should like to ask the House not to vote at this particular moment, and instead I should like to pursue the idea of having another discussion and then submitting a text. That is what I am asking. There are many people here who are aware of their responsibility towards Poland. Someone like myself is put in an impossible situation. As things stand at the moment, I have to abstain from voting. I have been told in my group that a common denominator has been found. I prefer to leave the Chamber, rather than vote against or abstain. This is why I am urging all the group chairmen to get together again and reach agreement, as happened yesterday.

(*Applause*)

**President.** — I call Mr Scott-Hopkins on a point of order.

**Mr Scott-Hopkins.** — Mr President, various harsh words have been said about me and my group. I do not mind harsh words; they never broke any heads;

but I do object strongly to being told that I have behaved dishonourably. I have not done so; I have not in any way broken any agreement which was reached, but as the House is in such a turmoil concerning this matter, and as there are important things such as the Ferranti resolution concerning Italy to be got through, rightly, today and because everything will stop tomorrow, therefore in the interests of harmony in this House I will, although it has already been voted on, ask the House to withdraw the amendment standing in my name and that of my group,

(*Prolonged applause*)

underlining that I entirely reject the accusations levelled at me and my group, by Ernest Glinne, who knows that they were false. I beg to withdraw that amendment.

(*Applause*)

**President.** — Mr Scott-Hopkins tells us that for the sake of good will and understanding he is ready to withdraw his amendment: There was in fact a certain amount of confusion over the subject of the last vote.

If you agree, I propose that Amendment No 1 be put to the vote again.

**Mr Scott-Hopkins.** — Mr President, I withdraw the amendment standing in my name and that of my group.

**President.** — Very well, Mr Scott-Hopkins, the matter is now settled. We shall continue with the explanations of vote.

I call Mr Israel.

**Mr Israel.** — (*F*) Mr President, there is something I should just like to say. I have been a member since the outset of the coordinating committee which tries to harmonize motions on human rights, and what I want to say concerns this motion on Poland.

Our colleagues in the European Democratic Group, the British Conservatives, are quite entitled to table this amendment. I am sorry to say, Mr Glinne, that everything was settled and everyone was in agreement. It was agreed that the British Conservatives would table this amendment. Having said that, I raise my hat to Mr Scott-Hopkins for his willingness to withdraw the amendment. Personally, I was quite against the idea.

**President.** — I call Mrs De March.

**Mrs De March.** — Mr President, the goings-on in the Chamber today are ample proof of what we were

**De March**

saying here yesterday. It is up to the Polish people and their government to reach decisions on their problems without any outside interference. This was resoundingly shown in Gdansk yesterday. For this reason we shall not be associated with any motion and shall not take part in any vote.

*(Parliament adopted the resolution)*

**President.** — I call Mrs Bonino on a point of order.

**Mrs Bonino.** — *(I)* Mr President, everyone here will agree that the procedure which has just been followed is, to say the least, irregular. The amendment had been adopted, and the procedure we followed to arrive at a political understanding is not at all above question as far as the legal aspect goes. I should like to have your assurance that the procedure just followed will not be considered a precedent for the business of the House.

**President.** — I note your statement, Mrs Bonino. I am of the opinion that there was confusion with regard to the vote and that it was therefore necessary to repeat it.

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**President.** — We shall now return to the de Ferranti Report (Doc. 1-733/80). On Article 3, paragraph 2, of the proposal for a decision, the Committee on Budgets has tabled Amendment No 4 seeking to reword the paragraph as follows:

The interest subsidy is fixed at a minimum of 3 % which may be increased to 5 % depending on current conditions on the capital markets.

What is the rapporteur's position?

**Mr de Ferranti, rapporteur.** — Mr President, I am against this proposed amendment because I think it is adequately covered by paragraph 7 of the motion for a resolution, and I would ask the House to vote against it. It is raising the amount from 3 to 5 %.

**President.** — I call Mr Adonnino.

**Mr Adonnino.** — *(I)* Mr President, as I was the one who tabled this amendment on behalf of the Committee on Budgets, I want to point out to the Honourable Members that tying ourselves to 3 % seems quite ridiculous, in view of the fact that this is such an exceptional event.

Consequently, we feel it is right for the subsidy to go up to 5 % — and we trust the House will accept our

proposal — depending of course on current conditions on the capital markets, so that there is a steady relationship between the subsidy and the amount of interest, in view of the fact that the 12-year period is rather long.

I appreciate the rapporteur's position but I trust that the House will adopt my amendment.

*(Parliament adopted Amendment No 4)*

**President.** — On Article 5, the Committee on Budgets has tabled Amendment No 5 seeking to reword the article as follows:

Financial control and the auditing of the Commission's accounts will be carried out in accordance with the provisions of the Treaties and the Financial Regulation applicable to the general budget of the European Communities.

What is the rapporteur's position?

**Mr de Ferranti, rapporteur.** — I am in favour, Mr President.

*(Parliament adopted Amendment No 5)*

**President.** — We shall now consider the motion for a resolution proper.

*(Parliament adopted the preamble and paragraphs 1 and 2)*

On paragraph 3, the Committee on Budgets has tabled Amendment No 1 seeking to reword the paragraph as follows:

Points out that these tragic events provide ample proof of the need for the Community to have a financial instrument whose role and scope are commensurate with the actual requirements and which will enable action to be taken in the interest of the Community as a whole, so that normal socio-economic conditions can be restored as soon as possible in the regions affected by the disaster; these regions were already amongst those furthest below the Community average and their development was one of the priority aims of the Community measures laid down in the Treaty of Rome.

What is the rapporteur's position?

**Mr de Ferranti, rapporteur.** — I am in favour of this amendment, Mr President, but I would like to change the way in which it is incorporated into the resolution. I would leave out *Community solidarity* in point 3 and say instead *in the interests of the Community as a whole*. I would then take the rest of the paragraph and add it to paragraph 5, where it fits in more logically. I hope that Mr Adonnino, representing the Committee on Budgets, will agree.

**President.** — I call Mr Adonnino.

**Mr Adonnino.** — (I) Mr President, I can agree to Mr de Ferranti's suggestion. I note that our fundamental ideas are accepted. All that has to be done is find a suitable place for them in the motion, which is feasible.

*(Parliament adopted Amendment No 1 as amended)*

**President.** — On paragraph 4, the Committee on Budgets has tabled Amendment No 2 seeking to reword the paragraph as follows:

Approves the proposal for a Council decision concerning special aid for the reconstruction of the areas devastated by the earthquake in Italy in November 1980: the volume of loans granted for this purpose may not exceed the equivalent of 1 000 million EUA in principal, minus whatever operations may be effected by the EIB from its own resources for the same purpose: these loans will be given for a maximum of 12 years; emphasizes the special nature of this operation, which thus calls for exceptional measures, and therefore requests that the rate of 3 % be raised to 5 %, bearing in mind the conditions on the capital market.

What is the rapporteur's position?

**Mr de Ferranti, rapporteur.** — In view of the previous vote on the rate of rebate, Mr President, I will accept this amendment.

*(Parliament adopted Amendment No 2)*

**President.** — I call Mr de Ferranti on a point of order.

**Mr de Ferranti, rapporteur.** — Mr President, I wish to raise a point of order just to make one thing clear. We shall be adding the latter end of the previous amendment to paragraph 5, and so I think we shall need to vote separately on paragraph 5 thus amended.

*(Parliament adopted paragraph 5 as amended and paragraphs 6 and 7)*

**President.** — After paragraph 7, the Committee on Budgets has tabled Amendment No 3 seeking to add two new paragraphs:

Considers that this special type of assistance due to the exceptional nature of the disaster should, in any case, be additional to the normal assistance granted under Community policies, since it is desirable for a combination of resources to be brought to bear in this area; therefore calls on the Commission to submit in due course a plan for concerted measures to assist regions which have suffered disasters;

Reserves the right to make use of the conciliation procedure should the Council wish to depart from this opinion.

What is the rapporteur's position?

**Mr de Ferranti, rapporteur.** — I accept.

*(Parliament adopted Amendment No 3 and then the motion for a resolution as a whole)*

#### 9. Election of a Quaestor

**President.** — The next item is the election of a Quaestor. Pursuant to Rule 7 of the Rules of Procedure, this election follows the same procedure as that for Vice-Presidents.

I have received candidatures from Mrs Bonino, Mrs Caretoni Romagnoli and Mr Hamilius.

As there are more candidates than vacant seats, a secret ballot must be held. Voting papers and envelopes have been distributed to Members. Please indicate the candidate of your choice by putting a cross beside his or her name. Four tellers will be chosen by lot.

Mr Pettersen, Mr Peters, Mr Hutton and Mr Michel have been chosen as tellers.

*(The vote was held)*

While the votes are being counted, I propose that we continue with the proceedings.

Since there are no objections, that is agreed.

IN THE CHAIR: MR MØLLER

*Vice-President*

#### 10. Rate of ECSC levies for 1981

**President.** — The next item is the debate on the report (Doc. 1-704/80), drawn up by Mrs Hoff on behalf of the Committee on Budgets, on the fixing of the rate of the ECSC levies and the establishment of the ECSC operating budget for the financial year 1981.

I call Mrs Hoff.

**Mrs Hoff, rapporteur.** — (D) Mr President, ladies and gentlemen, the ECSC operating budget for 1981 which is under discussion here today gives just as little cause for rejoicing as the Community budget for 1981 which was given its second reading this morning. In recent years coal and, in particular, steel have become

**Hoff**

problem areas in the European Community and call for considerable efforts. On the basis of the ECSC figures, the amount we are discussing here today, i.e. 162 million EUA, is far too small to be taken seriously.

On closer analysis, we see that the operating budget is inadequate to finance, for example, social measures and other necessary programmes to the extent required. With 160 million EUA, this budget represents only two-thirds of what we really need. In other words, what we need is 249 million EUA, which means that there is a gap of 87 million EUA to be filled. As you know, the operating budget is financed partly by levies on coal and steel products. The levy rate is fixed on a yearly basis and may not exceed 1 % without the approval of the Council. Last year it was increased from 0.29 % to 0.31 % and the Commission proposes that it should be maintained at this level for 1981. Since an industry which is being shaken by crises cannot reasonably be expected to pay more, the Committee on Budgets has approved this rate of 0.31 % and I urge Parliament to give its support to this decision.

The rate of 0.31 % would yield an estimated revenue of approximately 120 million EUA on top of which there would be 40 million EUA interest from own resources and a further 2 million EUA from cancellation of commitments, making a total of 162 million EUA, which is far too little to come anywhere near covering the requirement estimated by the Commission. On top of this something is now happening which I do not understand and which it would only be sensible to reject in view of the considerable gap between the funds needed and the revenue and the structural crisis in the iron and steel industry which has become more acute. The Commission intends this year of its own free will to do without special contributions by the Member States. It has not even made any claim to contributions of this kind.

As you will remember, ladies and gentlemen, this special contribution has been levied in recent years partly to compensate for the fact that external customs duties on products covered by the ECSC still accrue to the Member States. When one considers that all other external customs duties are used for the financing of Community projects it is completely illogical that duties on coal and steel products should be the very ones which the Community is not allowed to touch. In this way the Member States are undermining the system of own resources set up in 1970. In addition, this fact is intolerably harmful to the financial autonomy of the European Coal and Steel Community and is unacceptable in the long term.

In this situation, the Commission is, of its own free will, making no claim to the special contributions and instead is cutting down requirements. This is a restrictive and unimaginative attitude and one wonders what could be behind this approach apart from resignation. Perhaps it was the hope of a transfer of funds from the

Community budget, but we buried this hope this morning when the applications were withdrawn or rejected.

At any rate, Chapter 54 currently contains no funds which could be transferred to the ECSC budget and I should like to point out in this connection that we have included an additional 188.6 million EUA in supplementary budget No 2 for 1980, which represents a total of 366.4 million EUA. Parliament should hold the Commission to what it said yesterday evening in the Committee on Budgets, i.e. that it would do everything possible with a view to using these funds for social measures.

I should like to point out in this connection that a further paragraph is to be added to my motion for a resolution which is currently before you, in which this requirement is expressed once more. I hope this amendment, which the Committee on Budgets last night authorized me to table, will be available tomorrow in good time before the voting.

Ladies and gentlemen, I should also like to discuss briefly the utilization of the ECSC budget. One striking feature is that the funds for interest subsidies for the restructuring of the iron and steel industry have been estimated at only 7 million EUA, whereas in the current year, i.e. 1980, 33 million EUA have been spent. In this connection, the Commission must admit that it has failed to submit the report on restructuring in good time before the end of this year. Only on the basis of this study would it have been possible to assess the cutbacks in this field. At any rate, according to the Commission's statement, restructuring must continue to be the major aim of the crisis measures, which is not in keeping with the reductions in the ECSC operating budget.

In this connection, I must also draw attention once more to the need for Parliament to be informed in good time regarding the operating and investment budget. Last year, the Commission took until 16 November to submit the basic document to Parliament and this year we only received it on 25 November. If this trend continues, in two years' time we will probably only receive the report with the Christmas post. This year it was impossible for the relevant committees — in this case the Committee on Social Affairs and Employment and the Committee on Economic and Monetary Affairs — to play their part in the discussions with the necessary thoroughness. The Committee on Energy and Research was not able to issue any opinion whatsoever as no more meetings were held in the time remaining. For this reason, I should like to request the Commission once more to submit its draft budget earlier and even perhaps deal with it at the same time as the Community budget.

Finally, I should like to sum up the major points contained in the report I have drawn up on behalf of the Committee on Budgets. Firstly, the Committee on

## Hoff

Budgets recommends Parliament to adopt 0.31 % as the rate of the ECSC levy. Secondly, the Committee on Budgets demands that not only the operating budget but also the far more significant investment budget, which this year is in the order of 5 000 million EUA, should be submitted to Parliament in good time for its opinion and examination. Thirdly, we urge the Commission to call for special contributions from the Member States, as in previous years, so as to avoid a reversion to national policies by making no claim to such contributions. Fourthly, funds currently included in Chapter 51 of the Community budget, can certainly be made available for the social measures which are so vitally needed, particularly in the steel industry.

The report was adopted by 17 to 2 in the Committee on Budgets. I urge Parliament in turn to give its support to this report.

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

**Mr Martin.** — (*F*) Mr President, ladies and gentlemen, we might ask ourselves how democratic a debate can be on a report which has been submitted the very same day. As a general rule, however, the report from the committee is no more than a potted version of the Commission report, so we might as well discuss that.

The Commission — and Mrs Hoff too — is seemingly very pleased with its work in the steel industry, the 'scrapping' operation in Lorraine and in the north of France is regarded as a great success from every point of view. They do, of course, acknowledge that the number of jobs lost in the steel industry is still very high; present estimates talk of the loss of some 150 000 jobs in 1980. This is balanced by the cautious statement that

it should in practice be possible given the magnitude of the problem for the Community to grant loans to provide 1 500 replacement jobs in 1981.

And they call that 'redevelopment'! It looks as though no-one has considered that the only possible redevelopment is to save jobs in the steel industry by reviving production and improving working conditions.

As for coal, nothing new. We shall still have the 6 million EUA in aid for marketing coking coal in the Community. This is a direct subsidy to the German collieries allowing them to take over, in particular, the French coking coal market while the coking plants in France have been closed down. In general the overriding feature of ECSC coal policy has been continuity of the French collieries, to leave the market open to coal from the mines to the Federal Republic of Germany, and now Great Britain as well.

One significant sentence in the Commission's report sticks in my mind: 'On the other hand, coal produc-

tion in 1980 is likely to have exceeded that of the year before by several million tonnes and be of the order of 241-243 million tonnes.' Mrs Hoff takes up this sentence in her report, but ignores the next one. I quote: 'The principle reason has been rising productivity in the United Kingdom against a background of unchanged output in Belgium and Germany and a reduction of 1 million tonnes in France.'

They have the affrontery to speak about coal policy at the Venice Council, and then calmly announce a decrease of 1 million tonnes per year in France, a decrease confirmed by the July 1980 report on coal investments in the ECSC. Apart from idle chat about energy and oil, you are continuing exactly the same policy as before, a policy stated clearly in the ECSC Treaty and which has always been adhered to. The convention on the transitional provisions of the ECSC Treaty states in Article 28: 'It is agreed that coal production in the French mines need not be reduced each year by more than 2 million metric tonnes as compared with the level of the preceding year if total Community production is the same or is above the level of the preceding year.'

What continuity! This transitional situation has lasted for 25 years. If the struggles of the French miners do not manage to put an end to this lunacy, it will go on until the French coal mines are completely wiped out.

This brings us to the question of political responsibility. Some people are beginning to wonder who is responsible for this mess, the French government or the ECSC. It is not a question of one or the other: both are equally to blame. Every French government for the past 25 years has applied, in close cooperation with the ECSC, the terms of a treaty which is going to lead to the annihilation of our national coal mines, leaving the market open to imports from the Federal Republic of Germany and the rest of the world.

But the French Communists condemn and resist this policy of national and regional disaster! We are delighted to see that the miners and entire regions are standing up against this sell-out of the French coal mines. This is what is happening in particular in the Estival mine in the Cévennes in the south of France, in the Cévennes, where known reserves are as much as 229 million tonnes, 20 million of which are immediately accessible including 8 million in seams stretching into the Ardèche coal-field. These miners here have been occupying the pit for more than seven months. Georges Marchais met them a few days ago, and assured them once more of the unqualified solidarity of the French Communist Party and its elected representatives. I will conclude reiterating, here in this House, the total support of the French Communist representatives and their Allies for the struggle of the miners and the inhabitants of the mining regions in the national interest against the nefarious policy of the government of Giscard and Chirac and the ECSC.

**President.** — I call Mr Leonardi.

**Mr Leonardi.** — (I) Mr President, Mr Ortoli and the other members of the Commission will certainly remember that we have been insisting for many years that the Commission make use of the instruments, rights and resources conferred on it by the ECSC Treaty and in particular that it should take steps to use to the full own resources, by applying a 1 % levy, in particular in order to meet the requirements of research and investment guidance which we have felt to be insufficient for many years.

During the years in which the European steel industry was prospering, the Commission constantly insisted on restricting the levy of 0.29 %, thereby always sacrificing research. Now the situation is very serious. The crisis in the steel industry could have been partially avoided if decisions had been taken previously to use for research a large part of own resources which were not levied and to guide investment and carry out investments to a sufficient extent.

Now it is suggested that a levy of 0.31 % should be applied. It is totally ridiculous to note that when the steel industry was in good health a levy of 0.29 % was applied and now that times are hard a levy of 0.31 % is applied!

It is true that the steel industry is in a world-wide decline, but it is equally true that the crisis of the steel industry in the Community is of special seriousness. Some responsibility for this must lie with the Commission, which in this industrial sector has put itself forward as a model Community for many years, without however using the instruments which it in fact could and ought to have used.

For this reason we are opposed to this motion, because we stand by our former attitude. I think that yesterday, as today, we did well to adopt it.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, we have dealt with budgetary questions in great detail and over a very long time during the course of this week, and I imagine that the House does not wish for a lengthy debate. Certainly the failure of those who were expected to speak to turn up suggests that it is of less interest than might have seemed from what they said beforehand.

I do, however, take very seriously the points Mrs Hoff has made and I will try in the course of my brief remarks to cover some of them. I would, however, like to start by saying that the Commission is glad to note that the draft resolution in Mrs Hoff's report supports our proposal to hold the levy rate in 1981 at 0.31 %. This is, of course, important since under the ECSC

budgetary procedure, as it has now operated for many years, the Commission acts on the advice of Parliament when it takes its decision annually on the levy rate for the following year.

In order to place the 1981 ECSC budget in its broader setting, there are, I think, two points that ought to be made clear to the House. First, there is the relation with the proposed social measures for the steel industry, which have been a constantly recurring and important theme in our whole budgetary discussion. These measures are not catered for in our existing bilateral agreements with Member States.

We could at a pinch accept a general agreement to base them on a broad interpretation of Article 56 of the Paris Treaty, but the Commission has, in fact, proposed to authorize them by a decision under Article 95 formally extending the existing possibilities under Article 56. We have at the same time, of course, proposed to finance the new aids by a transfer to ECSC from Chapter 54 of the general budget. Now, given the uncertainties about the basis and the funding of these social measures, no provision for them at present appears in the draft 1981 ECSC budget, which is, of course, at this moment before the House. All that this means in practice is that once the uncertainty is resolved and we are in a position to go ahead, we shall amend the budget to show the extra revenue and expenditure involved. I would like also to say that following the last meeting of the Council, which inched things forward, the Commission will do all it can to bring about a solution in which there is budgetary provision and a legal basis for the social *volet*. The Commission will make its best efforts and it looks for cooperation from the Council. I hope that that is a declaration of the sort that Mrs Hoff was looking for in her speech a moment ago. It follows therefore that the 75 million EUA already appearing in the draft budget represents the estimated cost of aid under the existing resettlement agreements and does not include anything for the new early retirement and short-time aids proposed in the social *volet*.

The other question I wanted to address myself to is that of additional revenue, which Mrs Hoff has also dealt with in her speech, in paragraphs 6 to 8 of the draft resolution.

Now, in proposing Chapter 54 as the sole source of supplementary revenue, the Commission's aim was, and is, to place all possible emphasis on the need to finance the social measures concerned. We are also seeking to associate Parliament in as central a way as possible. In our view it would not be sensible at this stage to propose in parallel a separate form of extraordinary revenue such as national contributions.

Now, Mrs Hoff referred to these particularly, but I really was at something of a loss to understand why she did so in quite those terms. After all, in recent years we have had a good deal of experience of

## Tugendhat

national contributions, and I can speak personally. I know that if Viscount Davignon were here he would express precisely the same view.

The Member States make an undertaking in order to get out of some particular problem at the end of the year, and then we have very, very considerable difficulties getting hold of the money subsequently during the year in question. They have proved so far a very, very difficult and rather unsatisfactory means of financing the budget. This does not mean that we would forever rule out pursuing other financial alternatives. Far from it. That is not our intention. But I do think that it is important to bear in mind the difficulties which have taken place in recent years.

As regards the attribution to the Coal and Steel Community of the ECSC customs duties; though the Member States have voiced legal and other objections to it and have until now preferred the option of *ad hoc* contributions, the Commission's proposal remains on the table. We think that this would certainly be a sensible way to proceed.

Lastly Mr President, I come to the detailed expenditure proposals. The three items which we are committed to covering in full are the administrative expenditure contribution to the general budget, which is 5 m units of account, the coking-coal aid payment, which is 6 million, and then of course by far the most significant, the provision of 75 million for traditional resettlement aid.

As I have already noted, it is the view of both the Commission and the rapporteur in her report that no increase should be made in the levy. This leaves, therefore, 76 million of the estimated total receipts of 162 million for the remaining headings, research aid and interest subsidies. The Commission accordingly proposes to hold at this year's figure of 44 million the allocation for research and to enter the remaining 32 million in the interest subsidies line. Since we think a priority should be given to interest-relief grants for job creation, we propose a grant of 25 million European units of account for this purpose. In the circumstances and with regret, we have had to place in suspense, for the time being at least, the scheme of interest subsidies for steel restructuring investments.

In conclusion, Mr President, I would like to recall that the Commission remains of the opinion that our pragmatic procedure for approving the ECSC budget and levy rate is a good one and superior to any that might result at the present time from any far-reaching review of existing Treaty provisions. Accordingly, I would like to thank Mrs Hoff for the report she has prepared on behalf of the Committee on Budgets and I would like to commend the Commission's proposals to this House.

I would also like to say one other thing. I know that Mrs Hoff and the people directly concerned with this

subject have devoted a great deal of time and work to it. I think we have had a fruitful exchange of views. I do believe, however, if I might say so, Mr President, that where one is dealing with an important budgetary matter concerning a vital Community industry which is at present facing very considerable difficulties, it really would enable public opinion to realize the importance that this House attaches to the matter if the debate were able to attract rather more attention than has seemingly been the case on this occasion.

**President.** — I call Mr Percheron.

**Mr Percheron.** — (*F*) Mr President, ladies and gentlemen, after the OPEC meeting, after the vote on the Community budget, we are now faced with the bleak reality of the memorandum from the ECSC, whose name has never seemed less appropriate, and of its modest operational budget. This budget — and I am not the first person to say so — does not even contain provisions for financing social measures for steel workers. So, the Council accepts and confirms that the steel industry is in a state of manifest crisis, and then is incapable of rallying the necessary solidarity towards all those affected by the crisis. This is unfortunate. It is unacceptable. There is no European coal Community. There is no Community coal policy. Yet all calculations on profitability, all tables of energy prices stop at the Straits of Hormuz, where there could be total upheaval from one moment to the next, from one conflict to the next. The ECSC is content to note the pattern of national coal policies, in particular the decline of the French collieries, which has been organized deliberately by the French governments since 1963. In this respect, I must say to the Commission that the spirit of the ECSC Treaty was, and still is, that it should use its high authority in matters of energy policy, and coal policy to impose its often lucid analyses and often interesting proposals. It is the Commission's duty to point out clearly to Parliament and to the public, exactly what is preventing the Council of Ministers from adopting proposals to revive coal production and consumption. The Commission is not acting in the interests of Europe by maintaining a discreet silence, even official silence, in the face of an attitude like that of the French Government which says 'yes' to coal at European summits while at the same time methodically organizing the decline of the mining industry. Especially since the first oil shock, once the Commission accepts the implications of the past and the weight of the words — ECSC, European Coal and Steel Community — it is its duty to make absolutely sure that Europe is not, in the eyes of the public, and particularly in the eyes of the mining regions, bearing responsibilities which are not her own; it is its duty to ensure that the utterly false and anachronistic myth of a European plot to promote coal is buried once and for all.

That is why, on behalf of the French Socialists, I want to remind you of the proposals, the European propos-

**Percheron**

als, which we support and which are contained, if somewhat self-effacingly, in the ECSC memorandum. It is absolutely essential that all the Member States producing coal re-establish production at the 1973 level. In the face of the present energy situation, in the face of the present economic situation, this Commission proposal must be reasserted constantly to support the fight of those who, like us refuse to accept the closure of mines with reserves which we have the manpower and the technology to exploit. We also approve the Commission proposal to produce 75 % of Community electricity from coal and nuclear power. But we must be careful, here too time is short for France, because it is becoming each day more apparent that the French Government intends to achieve the aim to which it has subscribed at the European summits solely on the basis of its nuclear power programme. Europe must therefore give massive subsidies, and very quickly, for the construction and modernization of thermal power-stations using national or European coal. Although it is clearly insufficient in comparison with what is at stake, the Community is making a real effort in research into the gasification and liquefaction of coal. The current experiment, unique in the world, on underground coal gasification, at Bruay-en-Artois must be continued with aid from the Commission and the Community. Its success, which now seems possible, would open up new prospects for European coal.

I will conclude, Mr President, on an important and sometimes, if one has taken the responsibility of talking about coal policy, decisive point. The Commission envisages, despite budgetary difficulties, the continuation after 1981 of the mining safety research programme. This is absolutely indispensable and I hope that as much information as possible will be given on this subject. Indeed, both at European and at national level, for all those, Members of the Commission and of Parliament, who are calling for a revival in coal production, the prime responsibility is to look into living and working conditions, in particular questions of safety, in other words conditions which directly affect the miners.

**President.** — I call Mrs Hoff.

**Mrs Hoff, rapporteur.** — (D) Mr President, I should just like to make a few further observations. Firstly I should like to say to Mr Leonardi that he must have totally misunderstood me if he thinks that I am satisfied with the ECSC operating budget for 1981 currently before us. I thought I was quite clear on this point.

As regards what Mr Tugendhat had to say, I should like to stress once more, that it would be a quite peculiar anachronism if, after the system of own resources had been introduced for the European Economic Community and Euratom, which were set up later

than the ECSC, revenue from customs duties on coal and steel products were still to accrue to the Member States. The inclusion of this revenue in the ECSC budget is something which has been advocated for many years now, and I cannot accept that legal objections should be made at this stage. I would have expected the Commission's explanatory note on the operating budget at least to call once more for the inclusion of these duties in the Community budget.

If I may repeat, in 1978, the Council stated that it was prepared to pay these special contributions, amounting to 28 million ECU, in lieu of the customs revenue. This is not much, but it is better than nothing. I do not understand, therefore — and the reasons you gave, Mr Tugendhat, were not sufficient — why the Commission has now of its own free will decided to do without these contributions.

Ladies and gentlemen, over the last few days the Council was trying to reach a decision regarding the making available of funds under Chapter 54. This Council meeting ended in disaster as the Council not only postponed its decision to January, but one Member State even went so far as to state that it was opposed to Community measures via the Community budget as well as to common ECSC financing.

It did not prove possible to clarify the situation to any extent until yesterday's conciliation procedure regarding the overall draft budget for 1981. It was decided, roughly speaking, that if the Council reaches a decision whereby the measures will be financed through the overall Community draft budget the necessary funds will be made available. This is, in my view, an absolute mockery since what it really boils down to is, 'if I reach a decision, I will keep to it.' In practice, this could amount to nothing at all, and we cannot go along with this.

In other words, the Council has once again put off making a decision and the prospects of it reaching a unanimous decision, which is vital in this field, are, in my view, nil. For this reason, I should like to repeat the explicit request made by the Committee on Budgets to the Commission last night. We should maintain the system of special contributions by the Member States, even if this does not constitute a satisfactory solution. In addition, the funds which, as has already been pointed out, are provided for under Chapter 51 in the second supplementary budget, should be made available as quickly as possible for these vital measures.

**Mr Tugendhat, Member of the Commission.** — Mr President, I will not embark on a dialogue with Mrs Hoff, but I was worried by what she said, because I thought that I had made myself plain in my original intervention and clearly I had not. So, if I may, I would just repeat these two brief points.

One is that we have a good deal of experience of national contributions — very recent experience —



**Tugendhat**

and we know what an unreliable source of financing that has been. It is not theoretical, it is practical experience, and I wish I knew from what source Mrs Hoff gained the impression that Member States had given any sort of commitment to any annual national contributions. I would dearly like to have my attention drawn to whatever assurances they may have given, because we are certainly not aware of that. Now I made it quite clear that we do not close our minds to this option, but in the light of practical experience we think it has not worked very well so far. We do not rule out any alternative ways of financing the ECSC budget and we certainly do not rule out that, but I think that if we are to go down that road at this point we need to have a somewhat more carefully thought-out proposition put in the light of experience.

The second point is about customs duties, and I agree that these are an anomaly here. I agree. There can be no possible doubt about it. That is why the Commission has put forward a proposal. It remains on the table. One of the things Honourable Members must learn about the way this Community works is that the Commission can say that it agrees with something, it can make a proposal, as it has done in this case, but it does not always follow that its proposals are accepted. However, I do wish we would at least get the credit when we put forward a proposal.

**President.** — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

#### 11. *Election of a Quaestor (resumption)*

**President.** — I hereby announce the result of the ballot for the election of a Quaestor:

Members voting: 258

Blank or spoiled papers: 3

Valid votes: 255

Absolute majority: 128

Votes for Mrs Bonino: 21

Votes for Mrs Caretoni Romagnoli: 91

Votes for Mr Hamilius: 143

Mr Hamilius is therefore elected and I congratulate him on his success.

#### 12. *Community loan mechanism designed to support the balances of payments of Community Member States*

**President.** — The next item is the report (Doc. 1-707/80), drawn up by Mr J. M. Taylor on behalf of the Committee on Budgets, on the

proposal from the Commission to the Council (Doc. 1-582/80) for a regulation adjusting the Community loan

mechanism designed to support the balances of payments of Community Member States.

I call Mr Taylor.

**Mr J. M. Taylor, rapporteur.** — I am conscious of the fact that time is passing and you have got a lengthy agenda. I am also aware of the fact that there are no amendments to my report and the deadline for amendments is closed, and I think you only have two speakers who have asked for the floor following me.

In those circumstances I hope the House will not think it a discourtesy if I introduce this report very briefly. It is my attempt to help you with the transaction of the business.

The measure in question had its origins in 1975. We know what it is about; it is the activity of external borrowing and internal lending in the Community intended to recycle what is commonly called 'oil money' and, in particular, to lend it to Member States whose economies have suffered as a result of their oil-trading position.

There are a series of changes and improvements envisaged in the present Community proposals, upon which my report comments favourably. In particular, it is no longer necessary to show direct linkage between oil-trading position and economic difficulties — it can now be an indirect claim. The facility is substantially enlarged in size by a multiple of five, or thereabouts. The decision-making process is streamlined. Parliament is to be involved in all cases by being notified in advance of a decision to lend and is also to receive periodic reports; we trust we shall receive in particular, as requested, a detailed annual report. And, finally, redemptions of loans are made easier for the borrower should he feel in a position to redeem a loan earlier than scheduled — the ability to do so is now safeguarded in the amendments to the facility.

I would like to say in conclusion that my report, which asks only for minor changes of mechanism, will, I hope, be seen by this Parliament and the other institutions as favourable and encouraging to the Commission. May I say that I am indebted to the Committee on Economic and Monetary Affairs, which produced a very favourable and helpful opinion. I borrowed from that opinion in composing my own report, and I do wish to acknowledge the guidance they gave me in that way.

Mr President, I conclude quite simply by commending the measure as presented in my report to this Parliament. I know that it will be voted upon tomorrow and, I trust, favourably.

**President.** — I call Mr Balfour to speak on behalf of the European Democratic Group.

**Mr Balfour.** — Mr President, there are a few comments which I feel should accompany my friend

**Balfour**

Mr Taylor's report, which, as he says quite rightly, is concise and obviously acceptable to this House. We commend the Commission's proposal. It is certainly a great improvement on the first oil facility. We like the new element of flexibility, the extra degree of delegation of executive power to the Commission in the whole process of decision-making. We approve of the revolving nature of the facility as proposed. Likewise, we approve of the obligation to make periodic reports to Parliament in advance of lending.

I would like to raise a few questions which touch on the more long-term implications of this proposal. What is the maximum amount the Community should borrow? What is the maximum amount of this kind of market intermediation that a budget created by political agreement and extending only to 20 billion units of account should be expected to support? I accept that it is not a load on the budget in the same way that a Member State borrowing in its own name is a load on its own budget: it is essentially the Community fulfilling the role of an intermediary. It therefore books more than anything else a contingent liability.

The one immediately relevant factor in budgetary terms, however, is the subsidization factor. But because there is a contingent obligation there is also a potentially huge cash-flow problem.

What are we talking about? Up to now the borrowings of the Community have in relative terms been modest, but leaving aside the annual capital-market requirements of the European Investment Bank and the Coal and Steel Community, it now seems that we have fully authorized programmes for Euratom and the European Community in excess of 10 billion units of account. We can commend the Commission for the way in which they have undertaken their borrowing programme up to now, but I feel that if the Community is really going to implement all the measures that are now available to us, there is going to be an unacceptable load of Community debt on the international markets.

It is no good pretending that the European Investment Bank is something different. It is seen in exactly the same way with regard to political and credit risk as the Coal and Steel Community and the European Community itself. Any serious institution can accept the political risk and the credit risk, but the cash-flow risk I feel can only be resolved by eventually creating some kind of guarantee fund.

What do I mean by a guarantee fund? It is to set aside so much each year that if at some stage one of the entities that have received the funds is unable to meet the cash-flow requirement, our Community budget will have it available.

I believe it is important too from the point of view of presenting the Community budget in the world capital markets.

The second and last question I would raise is touched upon in paragraph 7 of Mr Taylor's report. Really, the question is this: to whom should this money be lent? Should it be the big names in our Community? Should it be the government agencies? — Those who are able to borrow in their own name and on triple aid terms?

There may have been a time when the Community could claim it could borrow more cheaply. I begin to question whether the Community, setting itself now ever bigger targets for borrowing programmes, may not have begun to reverse this process. Maybe what we should consider today is the much more difficult question of how to identify those medium and smaller-sized entities struggling against today's extremely harsh economic climate to put through the capital investment that our Community needs. This is a massive administrative problem. If the Commission feels it needs greater staff, it is the kind of function I feel this Parliament would be right to support.

I should like to end by saying that I feel that the dialogue that exists between the Commission and Parliament through the committees on the whole of this area is excellent. I hope that in the next twelve months, as the programme for borrowing expands, we may be able to reconsider the possibility of setting up some kind of guarantee fund.

**President.** — I call Mr Ortoli.

**Mr Ortoli, Vice-President of the Commission.** — (F) Mr President, I believe, naturally, that this subject is important for a number of reasons. Here we are at the end of a difficult day, talking not only about an opinion of Parliament on a loan authorization. We are also talking about recycling capital, about balance of payments deficits and about the way in which the Community can help its Member States to survive those deficits without taking excessively harsh or deflationary measures. We are therefore talking both about the Community's credit and, in a way, about Community solidarity during a particularly difficult time. This is perhaps partly concealed in what is inevitably a highly technical debate. It is none the less one of the questions which has frequently been put to us by Parliament, and I would like to draw attention to our own wish to stress that during a time of balance of payments difficulties the Community does make its credit available to Member States when they are confronted with special difficulties, when they are trying to overcome them, when they demonstrate that they want to overcome them and ask their partners to help them do it. That is what is involved, and I am grateful to Mr Taylor for having drawn together all the threads in his report.

Against this same background — and I turn now to Mr Balfour — there are two or three points which I would like to emphasize because they are questions

## Ortoli

which have been put to me by the Committee and in Mr Taylor's report.

Firstly, is it our intention to use the EUA as the currency of our general borrowing activities? The answer is yes. I cannot go as far as to say that all our borrowings will be in EUA: in fact a number of conditions have to be met before the EUA can be used. It is however our intention to use the EUA when the time and circumstances are right and when the necessary continuity has been established.

Secondly what we have in mind is a Community aid mechanism for balance of payments. It should not be a blind system. Since it is committing its own credit, the Community must naturally expect the countries which benefit to make the necessary efforts to straighten themselves out. So, throughout the question, yes, there does exist, not a set of conditions — in the worst sense of the word — but a dialogue which will ensure that the Community's effort is balanced by an effort made by the individual Member State to deal with the problems with which it is confronted.

This is demonstrated by a great deal of what we have presented to you, two elements in particular: firstly, for my own part I feel that if there are balance of payments problems it is better that we should help deal with them before they become critical, and therefore implement the policy which needs to be implemented early and under acceptable conditions. Secondly, we are not suggesting that the present system should be carried forward as it is. Loans could — not must, but could — be advanced in stages, and that would ensure that such an agreement, once given, was respected.

The third point relates to Mr Balfour's question. I can tell him that we are not talking about a new Community loan and we are not talking about loans to bodies or to organizations. That, I think, is a subject which we shall be taking up again at your next session. What we are talking about is balance of payments loans, in other words money made available by the Community to its Member States. We have a double guarantee in that. We have the guarantee of the Member States, and we have the guarantee of the Community. That has an especial value to a Community of nine — shortly ten — members, and puts us in a strong position to borrow on satisfactory terms. Moreover, balance of payments loans are not the same as the borrowings which we make on the long term market for the EIB, Euratom and the Coal and Steel Community. These loans are of much shorter term, as experience has shown. We are therefore not in quite the same market, the 10 - 20 year market for part of our borrowing activity. We are in a market which I will not call short-term but middle-term which is, as you no doubt know, technically very different. This does not mean that the Community should pay no attention to the state of the money market, neither does it mean that we can expand our activities infinitely, as though the market were there to smile and give us the finest

possible answer to every loan question which we raise. Indeed, I am convinced that our own responsibility is to act in such a way that the Community's own borrowing ability — which is one of the most innovative, and in my view one of the most effective things we have introduced in many years — should continue to operate under conditions which enable the Community or its representatives — either Euratom, or the High Authority, or the EIB, to confront the money market and continue to shop around for the best possible credit on the world market. That is the policy which we are now pursuing.

We could continue: we could say 'we had three and a half thousand million this year, let's go for ten next year'. We shall not be doing that because it is a market; we should realize that it is a market and act accordingly. What we are therefore trying to do is to follow a policy of regular but reasonable expansion of these resources. I will not go on, Mr President, but that is clearly a very important point. Is this policy not in fact one which raises problems? When I consider the eager but realistic way in which we are pursuing it, I think it does not. Not just because we say it doesn't, but because it has never presented problems up till now, practical problems, not least because one of the policies which I have followed myself was to ensure that every institution managed its affairs in such a way that even though the names were different our approach to the market guaranteed all of us the best possible deal. That is the objective of the very real, I think very efficient, coordination which we seek. I can assure you that there is no question of me or any others, neither the Commission and its services nor the bank of getting the market wrong and giving up. What is a privilege for us is to expand this necessary instrument in such a way that it can develop and live on effectively, rather than let off a few pyrotechnics which fizzle out having used up all their energy getting going.

**President.** — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

### 13. *Pre-accession aid for Portugal*

**President.** — The next item is the report (Doc. 1-683/80), drawn up by Mr Filippi on behalf of the Committee on External Economic Relations, on the

proposal from the Commission to the Council (Doc. 1-650/80) for a regulation on the conclusion of an agreement in the form of an exchange of letters between the European Economic Community and the Portuguese Republic concerning the implementation of aid to Portugal prior to accession.

I call Mr Filippi.

**Mr Filippi, rapporteur.** — (I) Mr President, ladies and gentlemen, I feel sure that I do not need to waste words in presenting to this House the report which the President has just stated we shall examine. This is not because the arguments in the report are unimportant, on the contrary this is a matter of great political and economic import, but because these arguments as you will all remember were already dealt with in February 1980 when I myself had occasion to present a report concerning Community aid to small and medium-sized enterprises in Portugal. The Portuguese Government has now decided that it is preferable — and the Commission has delivered a favourable opinion on this matter — for the Community's contribution to Portuguese industry to be placed in a broader framework. This Community intervention is taking place at a time when Portugal's entry into the Common Market is imminent.

There is no point in my stressing here — and anyway everything that should be said on this matter has been fully covered in the report which I am now presenting — the importance of Portugal's accession from a political point of view. I personally shall restrict my remarks to highlighting the importance Portugal's accession has for strengthening democracy in that country. At the present time we are watching with bated breath the growth and development of Portuguese democracy. We feel that Portugal's accession to the Community would be a point of reference and transition for reinforcing democracy in Portugal.

At this time however it is a question of supporting the political moves, and then economic growth should stem from political growth. Strengthening the economy is closely linked to strengthening political life. We are here faced with a Portuguese economy whose structures are extremely fragile and weak. This is why the Commission has suggested to Parliament, and we have taken up this proposal, that aid of 275 million EUA be granted. This sum would be made available from the 1 January 1981, up until the date the Treaty of Accession of Portugal comes into force. The total amount of 275 million EUA is subdivided into 150 million in the form of loans from the European Investment Bank, granted from the latter's own resources, and 125 million in the form of non-repayable aid.

We have set a whole range of terms and conditions to this aid, that is we intend it to be directed, firstly, at improving industrial structures, secondly, at modernising the sectors of agriculture and fisheries, and thirdly, it should also be aimed at small and medium-sized enterprises, this having been the subject of our attention at the end of February 1980. When we say small and medium-sized enterprises, we understand by this, as Mr Natali knows, that this aid should in particular be directed at job training. In the motion for a resolution which I hope we shall approve tomorrow, we made a number of suggestions, such as for example balancing out regional development. For the first time at a sitting

of the Committee on External Economic Relations, we stressed this particularly relevant point, that of improving regional imbalance, which ought to put a rein on the Portuguese Government's tendency to base investments exclusively on the area around the capital. This is why we make such precise remarks in the report. We also stated that this aid should be aimed at products which have an outlet in the Community market, whilst at the same time ensuring — and we feel this to be quite justified — that this aid does not go towards encouraging sensitive sectors or products which are in direct competition with products which the Community is at present producing for its own market, the most important of these being textile products.

We also stressed in the motion for a resolution that the Commission should keep a check on whether all these suggestions and proposals I have mentioned are observed. We advised the Commission that it should carry out periodic checks on whether these investments have effectively achieved the objectives we outlined and that the terms and conditions laid down in the motion for a resolution have been observed. Parliament might well be subsequently informed of the outcome of all this.

This, Mr President, ladies and gentlemen, is the background against which we want to place the motion for a resolution which I have the privilege of presenting this evening.

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

**Mrs Poirier.** — (F) Mr President, since my comrade Mr Pierre Pranchère gave on Monday the basic reasons for the firm and unswerving opposition of the French Communists and Allies to further enlargement of the European Economic Community, I only want to make one or two remarks.

Firstly, the agreement made between the governments of the Nine and the Portuguese Government, in preparation for its entry into the EEC, is a clear indication that the pause in the accession negotiations referred to by the President of the French Republic was only bluff. It was, furthermore, the French Government who recently drew up a document on the agricultural question to speed up the negotiation process. Enlargement is a keystone in its policy, as in the policies of the other European bourgeois democracies. The reasons are primarily political, as Mr Filippi has just said. The disastrous consequences for our national economies are of no importance. Small matter to sacrifice them on the alter of supranationality. Enlargement is a convenient way of enforcing restructuring at the behest of the multinationals, whether in the EEC, in France, in Spain, in Greece or in Portugal. In each of these countries, enlargement means abandoned fields, closed factories, peoples put in bondage.

**Poirier**

The example of Portugal is significant. Today the Portuguese authorities are explaining to their people that, in preparation for entry into the Community, salaries must remain at the same level, many thousands of small companies must be closed and there will have to be massive investment by foreign big-business interests. The peoples of Europe have nothing to gain from enlargement. This is, moreover, the reason why certain people are looking for more authoritarianism to impose the consequences: this is true of Mr Thorn, who declared that he was in favour of an enlarged Community, but a Community ruled by a stronger hand.

Enlargement is also a way of strengthening the military apparatus of the Atlantic Alliance in Europe. Didn't General Haig bluntly admit that the entry of Greece would permit the strengthening of the southern flank of NATO? We have all seen how the integration of Greece into NATO happened at the same time as its entry into the EEC, just as it is envisaged that Spain will have to enter both the EEC and NATO at the same time. In the final analysis, enlargement is a conspiracy against peoples, against the workers, against the independence and the sovereignty of nations. These are the political reasons which were mentioned a little while ago. We do not regard this enlargement as an established and unavoidable fact and, as you know, even if the negotiations are continuing, the secrecy surrounding them betrays the governments' fear of public opinion. In the interests of the farmers and workers in our countries, and of the farmers and workers of the applicant States, we stand firm in our decision to continue our fight for truth and clarity against enlarging the present crisis and difficulties, and at the same time to strive for the development of trade, broad cooperation between countries, countries which have shaken off the domination of monopolies, and cooperation based on mutual advantage and national sovereignty, and this includes Greece, Spain and Portugal.

**President.** — I call Mr Beazley to speak on behalf of the European Democratic Group.

**Mr Beazley.** — Mr President, I have much pleasure in giving, on behalf of the European Democratic Group, my full support to the measures proposed by the Commission concerning the implementation of pre-accession aid to Portugal. This House is very much accustomed to speaking of the problems caused to the economies of developing countries by the oil crisis and the recession of recent years; but we have had very little opportunity of speaking in this House of the difficulties caused to a country like Portugal whose economy in many respects is not as strong as many of the bigger and richer of the so-called developing countries. I therefore felt that the speech of my previous colleague was, perhaps, a little selfish and did not seem to me to balance very well with the interests

of that group in supporting countries which in many cases have stronger economies than Portugal.

This is a country which only six years ago suffered a revolution and which has taken into its home territory, with a population of only some 9 million, 700 000 Portuguese subjects returning from Angola, Mozambique and Guinea Bissau after the declaration of independence of those new countries. Following the revolution, its economy suffered a 30 % rate of inflation, and as late as 1977 it had a current balance deficit of 1.5 000 million dollars. By applying measures of severe restraint in expenditure with workers accepting — under, I think, a Socialist government — increases of only one-third of the rate of inflation, it not only narrowed its deficit, as called for by the International Monetary Fund — i.e. reduced its deficit from 1.5 000 million in 1977 to 1.2 000 million in 1978 — but it actually registered a surplus of \$ 780 million in 1978. Now this is a resilient country to be able to achieve such a turnaround from a position of such weakness.

May I also remind Members of this House that, despite the many and very considerable achievements of the Portuguese Republic at that time, this very young democratic society had great difficulty in shouldering both its economic and political problems at the same time. Because no party could obtain a sufficient majority in its parliament, Portugal was ruled by three caretaker governments until December of last year, when it elected a government which not only won the support of the majority of the voters in a very high turn-out of the electorate, but repeated its success again recently this year. The tragedy of the death of Portugal's Prime Minister immediately before its presidential election is still sharp in our minds, but meanwhile a new president has been elected and a new prime minister will lead the government through the very difficult times ahead.

Let me just give you a very small idea of the economic problems it faces. Portugal is 85 % dependent on imports to cover its energy needs, whereas the Community average is 55 %. The sharp increase in the price of oil this year, which has been calculated at double the import bill for 1979, has, needless to say, weakened Portugal's trade balance. Furthermore, Portugal's own efforts to speed up its industrialization to prepare itself for its future accession has forced it to attempt to achieve a very high growth-rate — 4 % — for its economy which it can only sustain at great cost. This measure, amounting to some 275 million units of account, has already been described in detail by Mr Filippi and I do not need to go through it in detail. I would merely emphasize that the 40 MEUA which this House approved for small and medium-sized businesses early this year is included in this total sum which we are speaking of now.

As Mr Filippi has already said, the proposal provides the safeguards which we require for the current members of the Community. I would like to empha-

**Beazley**

size, particularly after listening to Mrs Poirier, that this House should not consider that this vital assistance to Portugal can cause distress and difficulties to the countries with a structure as strong as that of the ones which seem to be complaining about it most.

My Group therefore fully supports the great efforts which the Portuguese Government has made to deal with the extreme difficulties which any economy such as Portugal would suffer at this time. At the same time, we sincerely trust that this measure will assist Portugal to adjust its economy as closely as possible to the Community average and that it will join us as a full democratic State worthy of this Community.

**President.** — I call Mrs Lenz to speak on behalf of the European People's Party (Christian-Democratic Group).

**Mrs Lenz.** — (D) Mr President, ladies and gentlemen, I fully support the words of the previous speaker and of the rapporteur. On behalf of the European People's Party, I welcome the Commission of the European Communities' proposal for a regulation implementing an agreement between the EEC and Portugal providing for financial aid to Portugal before its accession. Our Group has always supported the desire of Portugal, as a free and democratic country, to become a Member of the Community. It shares the view that suitable economic preparation, namely financial aid, can increase the political importance of this move. We know that the Portuguese economy is facing a multitude of difficulties, for which adequate solutions must be found without delay. We therefore welcome the fact that this operation is regarded as a particularly urgent matter.

Mr Filippi has already pointed out that we previously also supported the Commission proposal for special aid for small and medium-sized concerns, as we know full well that these companies are, so to speak, the economic backbone of the country. They are given particular consideration in the aid programme. However, we would ask the Commission to make sure that these benefits are in fact directed in such a way as to produce openings for these companies on the European market and thus provide Portugal with an effective means of becoming integrated into the Common Market.

Aid for underdeveloped regions deserves particular attention here in order as far as possible to remove imbalances by Portugal's accession to the Community and thus give the Portuguese economy a good start. The European Community, as a Community of free peoples, is hereby providing a free and democratic State with aid. The way the French Communists present this only goes to show what a distorted view they have of a Community of free States which is prepared to help peoples who want to succeed.

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

**Mr Louwes.** — (NL) Mr President, my apologies for having contravened your instructions just now by consulting with our staff; perhaps the matter caught your eye, but in view of the fact that I do not count as a celebrity, I assume that your words of admonition were not addressed to me.

I should like to begin by associating myself with what Mr Beazley had to say about the mourning the Portuguese people have been plunged into by the death of their Prime Minister, Mr Sa Carneiro, their Minister of Defence and their wives and staff. My Group too grieves with the Portuguese people.

My Group is pleased today to be able to give its support to Mr Filippi's resolution following on from his report of last February. We are especially pleased that the various points we raised in February's debate have been incorporated in this new resolution. First and foremost — and we attach great importance to this point — we are pleased to see that the Community has increased its aid to Portugal by a substantial amount to a total of 275 million EUA. That represents a enormous improvement on the previous proposal. We stressed the fact in February that the original proposal should be regarded only as a first tentative step and that the amount of the economic aid needed went well beyond the amount originally set aside for this programme.

The crisis in Portugal has deepened since we last spoke to representatives of that Member-State-in-waiting. Mr Beazley has already drawn our attention to the deteriorating balance of payments situation as a result of oil imports, and I shall not go into that point in any more detail at the moment. We support the fact that the Community's contribution has, in the first instance, been allocated to small and medium-sized undertakings, which can, at the moment, offer the largest number of jobs in industry at short notice. Especially now when unemployment is assuming very serious proportions and there is also concealed unemployment in the extensive agricultural areas of Portugal, it is essential to find ways of strengthening industries in these areas, and these must of necessity be small industries. As you know, Mr President, we Liberals attach great importance to small and medium-sized undertakings.

We also pointed out in February that industrial aid to Portugal must be channelled mainly to the sectors in which there is not already overproduction in the Community — for instance, the textile sector. Paragraph 4 of the motion for a resolution therefore reflects a heartfelt concern of mine in stressing the element of supply and demand in an industrialized economy, which is something we too believe in. However, paragraph 4 also refers to increased trade in

Louwes

an enlarged Community, and we must of course endeavour to ensure that any such development is harmonious and constructive. In the opinion of our Group, it is of decisive importance that the financial aid should be granted in such a way that we are effectively helping Portugal to build up a competitive industry, an industry which may be expected to exert an influence on economic life in general and the whole economic climate in Portugal.

My Group has wholeheartedly supported the enlargement of the Community to take in Portugal, and we hope that we shall be able to welcome our Portuguese friends as full members of the Community as soon as possible. In this spirit, we lend our full support to Mr Filippi's motion for a resolution, and we feel duty-bound to point out that the programme now under discussion should be regarded not as definitive programme for the restructuring of the Portuguese economy, but as the first step along that road. It should be seen as a gesture of solidarity towards our Portuguese fellow-citizens before accession. Clearly then, in view of what I have just said, we see no reason whatsoever to support the amendment tabled by the French Communists. We believe that it must be in our present Community's interests to submit more proposals of this kind to the European Parliament in the near future.

*(Applause)*

**President.** — I call Mr Turcat.

**Mr Turcat.** — *(F)* Mr President, I am speaking in place of Mr Deleau, who is unable to be here.

I am all the more pleased to be able to do so because of my personal, friendly relations — and relations there are quick to become friendly — with Portugal.

The political and cultural justification for the accession of Portugal is obvious, and we do not intend to raise any difficulties. My remarks on the Filippi report, will be briefer than those of my colleague would have been, in view of the very lucid explanations given by the rapporteur, and by Mr Beazley and the last speaker.

If we approve this proposal, it would of course hardly be acceptable if the aid provided by the Community budget to Portugal were given without precise indications as to its use: this much has already been said. This financial aid must never result in an increase in production in sensitive sectors, which would cause serious imbalance in Community trade. The textile sector was mentioned a moment ago. I would just draw your attention to the particular problems in the fisheries sector. This aid must, on the contrary, be used to support efforts towards internal economic restructuring in Portugal with a view to accession, on account of the opening of the Portuguese market to

competition from Community industries, which could worsen the existing economic difficulties. We have already discussed granting special aid to small and medium-sized industries in Portugal, and at that time Mr Deleau, while approving the proposal, formulated not reservations but conditions. The same goes for today's debate, that is, provided these conditions are met, we give a clear 'Yes' to financial aid for our Portuguese friends and to Mr Filippi's report.

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — *(I)* Mr President, I should particularly like to thank Mr Filippi for his report and for the very factual and clear presentation he made of it here this evening. He reminded us that Parliament had already had occasion to tackle the topic of possible aid to Portugal during the pre-accession period by way of a proposal submitted by the Commission aimed at supporting small and medium-sized industries and he pointed out that, as time went on, the Commission — this was also the outcome of a series of meetings with the Portuguese Government — felt that this outline aid programme could be complemented, since this is aid — and I should like to remind you of this once more — granted out of solidarity with Portugal but also aid granted with a view to preparing that country for entry to the Community.

I noted, Mr President, that on the question of Portuguese entry to the Community, the vast majority of speakers laid emphasis on the fact that this was a valid and good decision. This is an option through which a country which has regained democracy has been able to make another brave choice, that of turning towards Europe as a framework within which it can find its rightful place and carry out its own role. It is a very brave decision, of great political value, and almost all speakers stressed how important it was. I also wish to draw attention, Mr President, ladies and gentlemen, to the fact that this measure fits in with a whole philosophy, which I would call the philosophy of an expanding Community. We feel that the entry of countries which no doubt have weak and poor economic structures should not be viewed as a sort of annexation of such countries to the Community. This is why, in the measures we suggest, we propose an agreement by which Portugal and the Community will together make the crucial decisions which will rejuvenate the Portuguese economy and which will similarly avoid the risk of taking wrong decisions which could lead tomorrow to further serious difficulties for the existence of the Community. We are now looking towards a Community of Twelve. And this is why we must be coherent and logical in our approach to decision-making.

Mr President, I ought now to keep silent on the question of Mr Poirier's apocalyptic vision of the future

**Natali**

these measures may hold. I ought to keep silent because Mrs Poirier is no longer here. The same thing has happened today as happened last Monday when we were talking about a problem concerning Greece. There was a representative of the French Communist Party present who delivered a bitter indictment of enlargement in general and then left. We are obviously then no longer in a Parliament in which dialogue can be carried out, but rather one in which monologues are delivered.

Mr President, since we now have before us the draft amendment submitted by the French Communists, I must be totally frank and state that the Commission can not only not accept this amendment, but also reject the arguments used in it. A single remark will suffice: there is some mention in it of a plot against the peoples of Europe which is organized through the enlargement of the Community. I know that in Portugal the vast majority of Portuguese citizens is in favour of the entry of its country into the Community and that this vast majority, Mr President, is not a false majority but a majority which had occasion to show itself during the last political elections, when all political movements, with the exception of the Portuguese Communist Party, stressed in their discussions and in their political programmes their commitment to work towards rapid entry of Portugal into the Community.

When we set up an aid programme aimed at acting against regional imbalance, and supporting the Portuguese economy, Mr President, it is not our intention to organize a plot against the Portuguese people, but to give to that people, to the workers, citizens, craftsmen, to the owners of small and medium-sized firms, the aid which is owed to them for the suffering their country has undergone and in particular because of their commitment to the democratic ideals of freedom and justice which inspire the vast majority of Portuguese citizens in their everyday lives.

**President.** — I call Mr Filippi.

**Mr Filippi, rapporteur.** — (I) Mr President, I should very quickly like to say that basically the debate which has taken place here this evening has undoubtedly gone towards encouraging those who make the decisions which Mr Natali just referred to: the choice in favour of democracy and the subsequent one in favour of Europe. For my part, I should like to lay particular emphasis on the point made by Mr Natali, that is that Portugal and Europe are equally worthy of respect in this matter. We do not wish to colonize our Portuguese friends as the amendment tabled by the French Communists would have us believe but we wish through this motion for a resolution to give the Portuguese at a time when they are preparing to enter the Community, the same status as other European partners. Therefore we agree with the notion of working together, but not as master and servant.

I should like to thank Mrs Poirier, Mr Beazley, Mrs Lenz, Mr Louwes and Mr Turcat. Yes, I should particularly like to thank Mrs Poirier because I feel that more real reasons why we must approve this motion for a resolution perhaps emerged from her speech than from any other — and I do not mean to offend other Members in saying this.

Naturally, we have once more heard great emphasis being laid on the same differences of opinion which were apparent when we debated the motion for a resolution on small and medium-sized firms. This time it was probably to greater effect, Mr President, not it is true for us, but perhaps rather for the audience which the French Communists habitually play to. This is why I think that, even from this point of view, Mrs Poirier made a positive contribution and convinced us even more of the advisability of having put this motion for a resolution before Parliament.

(Applause)

**President.** — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

#### 14. Urgent procedure

**President.** — I have received from Mr de la Malène and others on behalf of the Group of European Progressive Democrats a motion for a resolution (Doc. 1-759/80), with request for an urgent debate pursuant to Rule 14 of the Rules of Procedure, on the drastic reduction in the number of frontier points in Italy assigned to the customs clearance of steel products.

The reasons supporting this request for urgent debate are contained in the document itself.

I shall consult Parliament on this request for urgent procedure at the beginning of tomorrow's sitting.

#### 15. Protection of workers from harmful exposure to metallic lead

**President.** — The next item is the report (Doc. 1-675/80), drawn up by Mr Newton Dunn on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the

proposal from the Commission to the Council (Doc. 1-630/79) for a directive on the protection of workers from harmful exposure to metallic lead and its ionic compounds at work.



**President**

I call Mr Newton Dunn.

**Mr Newton Dunn, rapporteur.** — As you have said, Mr President, this is my second report on this subject on behalf of the Committee on the Environment, Public Health and Consumer Protection. A debate was started in October, but it was not finished because 37 amendments from committee members had been tabled and we took it back to committee to sort it out there. Happily, we are now back on stage and very few amendments have been tabled.

Mr President, I am very confident that all my colleagues who are listening here today distinctly recall every word that I said in that debate on 14 October, so I shall not go over it again. I shall only mention two aspects which have changed since October. First of all, the framework directive has now been accepted by the Council of Ministers. This provides for the protection of workers from harmful exposure not just to lead but to chemical, physical and biological agents at work. To fit in with the final form of this framework directive, which was published in the Official Journal on 3 December, the text of the Commission's lead proposal needs certain small adjustments, hence the committee's paragraph 9 in its motion for a resolution.

The other change in this second report is very much more important and very much more controversial. The committee believes that men and women should be treated equally. The Commission's text proposes much stricter protection from exposure to lead for women of childbearing capacity. The Commission bases this on overwhelming evidence, which is not disputed, that lead undoubtedly crosses the placental barrier and causes permanent damage to unborn children. The Commission takes the view, which is shared by a minority of the committee, that there is no evidence that male spermatozoa can be similarly damaged. However, during the committee's debate two members said that they held new evidence that lead did indeed do such damage. There was not time in a very long committee meeting to give the evidence, but Mrs Roudy and Mr Ghergo, who are both listed to speak, will, I hope, give an account of that evidence in order to persuade the whole House.

As a result of that debate the committee decided to propose strict equal controls for all men and women in factories where there is exposure to lead, hence the proposed amendments to the text of Articles 6, 7a, 8b, 9.2 and 16.2, which deals with giving warnings of dangers to workers. It is on that last point that I want to make my final sentence or two, Mr President. On the question of giving warnings to workers, one member of the committee said, 'If women are to be warned, so should men. It is a question of justice'. It is a question of justice, Mr President!

(Laughter)

**President.** — I call Mrs Weber to speak on behalf of the Socialist Group.

**Mrs Weber.** — (D) Mr President, ladies and gentlemen, we take the view that environmental protection is not only a matter concerning the fields and meadows, but can and must play a major role in the life of every individual, since we all spend a large part of our lives at our workplace. For this reason, we feel that one of the most important tasks of environmental protection must be to safeguard health at the workplace. In my view, this directive represents a very good start in this direction.

However, a workplace — and this is what is at issue in our discussions on questions of environmental protection in general — can only be good and safe place of work if account is taken of health protection. We do not think that there can be a trade-off between the job and health by saying that people must make do with lower health standards since this is the only way they can count on a secure job. For this reason, we wholeheartedly welcome this directive, particularly as it has been greatly improved, not only as a result of the work of the Committee and Parliament, but also as a result of the collaboration of the Economic and Social Committee and the European Trade Union Movement, which has issued an opinion with regard to it. We are also very pleased that further substantial improvements have been made to the directive in the second report by Mr Newton Dunn. One of the central points at issue was, as Mr Newton Dunn has already pointed out, the question of equal conditions for men and women, and, in particular, the point that protection of women at the workplace should not lead to discrimination. This point of view has played an extremely important role. However, Mrs Roudy will deal with this question later.

It was the view of my group that — as also reflected in the explanatory note — this directive is merely an initial step towards equal conditions for men and women as regards workers' protection and a step which we welcome even if the deadline for the definitive introduction of equal terms is still to be fixed.

And no to the individual improvements. The Committee has called for more frequent studies in cases where the workers feel that the protection provided is inadequate and various amendments have called for an extension of workers' participation such that, as in the amendment proposed by Mr Adam, derogations would only be permissible provided that the workers were informed of the circumstances and gave their consent.

One of the technical aspects which was dealt with in great detail was the lowering of the blood and urine levels. We have, I think, found a good solution here and I am very grateful that one of our colleagues from the Christian-Democratic Group has stated that her group too finds this solution acceptable.

**Weber.**

And now to other points. In our view, it is putting the cart before the horse to regard all emissions in a factory as acceptable and only afterwards to consider how the workers can best be protected from them. We should rather start by trying to avoid these emissions in the first place and only then introduce the necessary protective measures at points where emissions are absolutely unavoidable. We have tabled several amendments which show that we have other things in mind as well as measures designed to reduce emissions, but these measures must always be given priority. It is true that protective measures already exist in factories, but in many cases they do not prove particularly effective and unfortunately this fact is still frequently due to a lackadaisical attitude on the part of those who are supposed to apply them for their own protection. We must see to it that protective equipment is effective and we must provide the workers with the necessary information so that they will agree to the application of these protective measures. We must see to it that these protective measures actually work in a field in which the further spreading of dangerous emissions can have unfortunate consequences, as is particularly the case with lead when the workers take the contamination home with them. A good example is showers. This may sound like hair-splitting but if an employer only provides cold showers, a great number of workers will consider whether or not they would prefer to take a shower when they get home rather than at the factory and for this reason we have called for warm showers, since this is the only way to guarantee effective protection. Furthermore, we have demanded that food and drink etc. should be stored in such a way as to avoid contamination with lead.

Finally, there are a few further demands which concern the role of this Parliament. The Commission intends to hold regular meetings, at least once a year, with government representatives, to discuss the practical problems arising from the implementation of this directive. We have also called for talks with representatives of the workers.

Finally, I should like to point out briefly once more that lead is a dangerous substance which should be handled with great care and that this directive first and foremost concerns the place of work. However, we must also realize that lead also constitutes a general environmental risk which only becomes acute after a process of accumulation. Thus there are still a great number of things to be done.

**President.** — I call Mr Collins.

**Mr Collins,** *Chairman of the Committee on the Environment, Public Health and Consumer Protection.* —

Mr President, I do not want to raise any of the substantive issues that Parliament will have to vote on tomorrow. Instead, I want to draw the attention of Parliament to one or two aspects of this debate

because this may help them to arrive at a decision and because it may well clarify a future approach to this kind of problem.

In the first place, I would like to thank the rapporteur for the work he has done both on this report and on its predecessor. He has gone to a great deal of trouble to present not one report but two, both of which represented the committee's view at the time he wrote them.

He is correct in saying that the report was withdrawn because there were a great many amendments put down the last time. But I would add that it was also withdrawn for two other reasons. One was that on the last occasion the debate started on a Tuesday, was to continue on a Thursday, and the vote was to be taken on a Friday. I did not consider that that was an appropriate way for Parliament to conduct a very important piece of business, and therefore I withdrew it from the agenda.

The third reason was that we discovered, somewhere about the middle of the week, that some of the changes in the agenda were due to, let us say, a little influence being used by the Commission. Frankly, I took exception to that, as the Commission knows, and again I withdrew it for that reason. I hope that Mr Vredeling's successor will not feel able to use his powers in that particular way.

I have said my thanks to the rapporteur; I should also say thanks to the various members of the committee, because this has been a very difficult report to handle and there have been various dilemmas facing the committee which I would like to draw Parliament's attention to.

The first of them is the question of limit values. Can they be policed, can they be monitored? Is there any point in setting a limit value which cannot be achieved? We have to tread a very careful line between a limit value which we would think to be desirable and a limit value which we know can actually be achieved and can actually be monitored. Clearly we do not want to destroy industry, we do not want to destroy the viability of the European lead industry, and yet just as clearly we want to maintain the highest possible standards for workers and, as Mrs Weber has said, for other people as well once we get down to considering lead in its wider aspects.

The second dilemma is whether or not men and women should be treated equally. We have to look at conflicting evidence here. The Commission has suggested one solution. Members of the committee have come up with other solutions. It is extremely difficult for lay members of a parliamentary committee to assess the relative worth of some of the evidence that has been provided. It really is a great tribute to the members that they have wrestled with this and produced what I think is a very sensible set of solutions.

### Collins

The third problem we always have to face in this Assembly, and I suspect in many other assemblies as well, is the unequal lobbying-power of the trade unions on the one hand and industry on the other. The latter has resources which it uses, and uses very well, to lobby this assembly. The trade unions — I have said this before and I shall say it here again — do not use the power I would like to see them have and they certainly do not use the resources, perhaps because some of them do not have the resources that industry has. We must have a much more equal approach to this kind of lobbying.

A great many of these problems would be solved, or would be easier to solve, if the Commission, when presenting to us a technical report such as this, could indicate in the report who they had consulted. — Not only who they had consulted, but how they had consulted them and to what extent they had taken these consultations into account in presenting the report.

In that way we should have at least some of the transparency we keep demanding in this Assembly and that we keep saying we have in the Commission. We should be able, as a Parliament and as a committee, to follow up the statements the Commission makes. We should be able to look at the original sources. We should be able to look at that evidence, because some of it is already in published work. Some of it is fairly obscure and a rapporteur may not always have access to it unless the sources are published.

Now, I am saying this because no reputable academic would produce an article without producing the sources as well. No reputable authority, I think, would produce a report without indicating who had been consulted and in what degree, and the work of this Parliament and the work of my committee in preparing this report would have been helped had we had access to such sources. I recommend this, not to Mr Vredeling, because unfortunately he will no longer be with us after the end of this month, but to his successor.

Finally, in closing, in spite of the harsh words I have said about the Commission may I say that I am rather sad personally to see the departure of Mr Vredeling, because I know that, in spite of the fact that he has occasionally had differences with Parliament, we have always respected him as a man who has at least been unafraid to say what he thinks. That seems to me to be a very valuable attribute in this Parliament and in this European Community.

*(Applause)*

**President.** — I am sure that almost everyone in the House will be ready to thank Mr Vredeling, as the chairman of the committee has done.

This proceedings will now be suspended until 9 p.m.

The House will rise.

*(The sitting was suspended at 8.05 p.m. and resumed at 9 p.m.)*

IN THE CHAIR: MR VANDEWIELE

*Vice-President*

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

I call Mr Ghergo to speak on behalf of the Group of the European People's Party (Christian-Democratic Group).

**Mr Ghergo.** — *(I)* Mr President, ladies and gentlemen, the hazard for workers' health as a result of exposure to lead and some of its compounds have been known for a long time, and protective measures have been adopted by various States. In spite of this, the harmful effects resulting from lead poisoning continue to appear and standards vary for this from one country of the Community to another. It is true that substances which are harmful to workers are extremely plentiful nowadays and that new substances are continually being brought into the productive process but, since it is not at the moment possible to adopt Community standards for all these substances, what is needed is that measures should be provided, backed up by specific Directives, for the most important health hazards, for which suitable protective methods already exist.

It is for these reasons, that I express both personally and on behalf of my Group, our wholehearted approval for the Commission's draft directive, and also for the recommendation which provides that steps be taken as soon as possible to establish Community standards for protection against the highest risks to which workers are exposed. A recommendation of this sort can be found under item 4 of the motion for a resolution.

The text of the draft directive submitted by the Commission contains precise details with respects to the controls which should be adopted in all Member States concerning the limitation of environmental pollution and biological indicators for individual levels of poisoning.

One specific problem raised during the lively and interesting discussions we had during the drafting of the report — for which I address my sincere and heartfelt thanks to Mr Newton Dunn, not just for the

**Ghergo**

competence he displayed in dealing with this matter, but in particular for his reasoned and understanding approach — was that of lead levels and ALAU levels, that is of lead in the blood and of delta aminolaevulinic acid in urine. Lower levels were laid down for women able to bear children, given the risk to the foetus during the initial period of pregnancy, when pregnancy has not yet been detected and the effects on the embryo are most serious.

Although we approve these measures, we shared the reservations expressed by many people as to the discriminatory effect of these standards with regard to workers and in particular we noted that there are no marked differences between men and women with regard to the ill effects which stem from exposure to lead. In this respect, Mr Newton Dunn mentioned that I quoted some clinical data on this matter and I culled this data from the text of the debates at the last Congress on Occupational Medicine, which was held in Parma, Italy. I quoted from the text the following which, if the House will permit, I should like to read to you again: 'The improvement in scientific knowledge and of methods of diagnosis has meant that sub-clinical changes have been detected at blood lead levels which up until recently would have been considered as acceptable.' Thus, for example, of 140 workers taken to hospital for lead poisoning, 16 % of them had a blood lead level of between 41 and 60 millionths of a gramme and 21 % of them had a blood lead level of between 61 and 70 millionths, that is readings which are lower than those put forward in the Commission's text. Mr Newton Dunn asked me for a copy of this transcript which he has not yet received but I can confirm that they have already been sent off — unfortunately the postal service does not function very well and this is particularly true in Italy, but I think that even elsewhere things are not much better. This is the reason why the Committee on the Environment, Public Health and Consumer Protection wanted, within a reasonable length of time — and I should like to stress this point — the biological limit values for men and women to be made the same. In practice this will come to pass within 10 years, because the standardized values will come into force for women 12 months after this Directive is published, and for men it ought to come into force in 1989. The Commission also and quite rightly pointed out that the validity of controls carried out on the environment and on workers depends on the methods and equipment used. At the present time, it is impossible to adopt a standardized system in all firms and in all countries. For this reason, we hope that the Commission will further the necessary measures and research in order to provide the Member States with useful data on methods, in accordance with what is laid down in paragraph 7 of the motion for a resolution.

My Group wholeheartedly approves the standards laid down in the draft directive for protective measures to be adopted when pollution levels go over certain fixed values, as well as those measures which refer to the

legal obligation to inform workers themselves of the risks of exposure to lead and of the precautions which must be taken to avoid injury. However, we asked the Commission to define more closely the role and powers of the appointed doctor, having regard to regulations in force in the individual Member States. This is to be found in paragraph 5 and in Article 5, where it is in particular stated that medical examinations must be carried out by an appointed doctor, and this shall be paid for by the employer. This health standard is contrary to social legislation in various countries, one of which is Italy.

Ladies and gentlemen, what we are now examining — this has already been said by previous speakers — is the first directive put forward implementing the outline directive of 19 December 1979, which provides for harmonization of national regulations for the protection of workers against harmful materials. I think that this directive is modern, courageous and to the honour of those who worked towards drawing it up. A lot is expected from this directive, especially from workers, and I should like to conclude by stating that it is with resolutions such as this that we show that what we wish to build, and what we are now building, is not only the Europe of the Common Market but also and above all a worker's Europe.

**President.** — I call Mr Sherlock to speak on behalf of the European Democratic Group.

**Mr Sherlock.** — Mr President, it gives me great pleasure to speak on the Newton Dunn report on the Commission's proposal for a directive on lead, the first directive to be hung upon the coathanger of the original parent directive on the health of the workers which I had the pleasure and the honour of piloting through this House. It gives me a welcome opportunity to speak about matters in general rather than lead in particular, because this proposal for a directive crystallizes the hopes and fears, the aspirations and, dare I say it, the stupidities of this body all in one document.

You see, the Commission set out in what is the first of a series of documents to demonstrate the worth and the value of a truly outward-looking directive which had considered every point of view. I think I can say truly that this directive, as it was submitted to my committee, epitomized the best in research, the best in opinion-seeking, the best in outward-looking Commission work. Mr Vredeling will know that this is a genuine tribute, because he and I have not always seen these things in the same light. It came into the committee and fell victim to a double onslaught from a lobby of feminists on the one hand, who could not recognize the fact that we were not protecting their femininity but their ability to support a pregnancy, and on the other hand those to whom all sin is repugnant and to whom there is nothing like good home cooking, even if you put 6 000 people out of work in making sure that you get nice pastry for your breakfast.

**Sherlock**

This is the way it has gone, and when I say that I am speaking tonight not about lead, it is because I am speaking about the credibility of that committee, which for the most part tries, however misguidedly, to produce good work. It tries, but if you look at the record of the documents it has modified — I use that word reservedly; in another connection I could almost have said murdered — before submitting them to Council, you will see that Council more often than not has had the great pleasure of rejecting them on one excuse or another. I take the Seveso directive, which was so well-motivated, as a very good example. I said in committee, put in these recommendations and it will never be accepted. Only one country rejected the Seveso directive. If this proposal on lead goes forward in its present form it will achieve an alltime record: at Council level and with these figures incorporated in its text, it will be rejected by nine out of nine of the Member States. — No, I am sorry, it will come after 1 January, so it will be rejected by ten out of ten.

I am trying to restore some credibility, some scientific basis to the work of this committee. If we do not do it on a scientific basis we shall be laughed out of court in every country in the world, let alone the Nine. You cannot work with your hand on your heart and try to reach a working hypothesis in this way. Lead-smelting, lead-processing, lead-working is a big industry in the Community. Just before I came into this Chamber this evening I spoke to Alex Berlin, who is our highly-skilled and very well-informed advisor on these matters. I said to him: 'Alex, if this goes through at the proposed levels, it will shut every smelter this side of the Iron Curtain.' He looked at me and said: 'Alex (for we share the same name), no it won't. It will only shut eight out of ten.'

Now this is the sort of proposal which is coming from my committee. There are not many listening. Not many will read it. It is only the environment we are talking about. It is only the thing in which you live, in which you work. It is not very important — until you start dying of it. Most people will not bother to listen, but to the few who do and to the few who read, I say, 'please assist me tonight'. Please join with me, Mr President, in begging them to assist me in restoring some credibility not only to the committee that I hold very dear but to the Parliament that I hold even more dear.

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

**Mrs Squarcialupi.** — (I) Mr President, I am not a very good actress and therefore I shall not carry on the British — I would like to say Italian — comedy which my good friend and fellow Member Mr Sherlock has started. Unfortunately, I must begin on a sad note, when I think that this House is almost deserted and that we are here talking about topics which have a

direct effect on our peoples, or at least on my electors, who perhaps do not understand very much about budgets, but understand a lot more about the dangers of the factories in which they work, dangers amongst which lead is one of the most predominant.

But I should like to stress the political role which our Committee on the Environment and Public Health played, a Committee which is considered as the poor relation amongst parliamentary Committees. We were faced with a draft directive from the Commission which is certainly a courageous directive, when one considers the wide variety of ways in which workers are handled, the lack of legislation in many countries, including my own, where any protection against lead is only carried out as a result of bargaining at company level. We have seen that the Commission has taken up a courageous stand on this matter, which is not the case for the Council of Ministers in which national and individual interests predominate. It just so happens that amongst all these individual interests there are never or almost never the interests of the workers. Therefore, we wished to help the Commission to carry out a very courageous deed and I note that, even though there are often moments of misunderstanding or perhaps even tension between us, I am sure this is very welcome because it is our task as representatives of the people to encourage a Commission which has very often been thwarted by a Council of Ministers — and I think we can say this out loud — which has a high-handed attitude. It is high-handed and not always aware of the needs of Europeans. I am convinced that we have also contributed towards the observance of the Treaty of Rome because it talks of harmonization and progress. We have in fact improved this directive by eliminating from it everything which would have been too lax towards workers' health and I feel that not only I, but also other Members, should be taking on more and more responsibility towards workers' health. I should like to refer to a fact which I have already quoted on other occasions during parliamentary debates, that is of two large surveys which were carried out within, on the one hand, the largest car firm in Italy, Fiat in Turin, and on the other a very large steel plant in the South of Italy. The workers were asked what were their priorities. Well, both for workers in the North and in the South the reply was: health and the environment. Workers have greater cultural awareness now, and over and above the question of having a job they feel that it is just as important to do work which ensures good health, and is carried out in a healthy and harmless environment.

Lead is one of the most widespread pollutants. The first cases of lead poisoning were discovered during the last century and some of its harmful effects are clearly defined but not all of them, such as its effect on man's ability to procreate. Nonetheless, the majority of the effects of lead are well-known at all levels, even if our precise knowledge is of course always improving.

### Squarcialupi

Our intervention on this directive — thanks also to Members who made a special commitment in this sense — can be explained by our desire to avoid any possibility of it being used to discriminate against women.

Research has for example shown that in some Italian ceramics factories a very large number of abortions are caused by exposure to lead. Science has not however devoted so much attention to the possible effects of lead on men. Therefore, the policy followed by the Commission was one of distinguishing between health protection for women and discrimination at the workplace.

On this point, I should like to submit to the Commission two requests which are directly or indirectly linked to this directive and which are also linked to what we ourselves put in the directive, concerning atmospheric pollution, this is the fact that protecting workers from harmful substances within the factory should not mean pushing all the pollution out into the atmosphere. Therefore, I should like to ask what became of the draft directive concerning the lead content of petrol. Perhaps I am not very well informed, perhaps it was voted on during the last meeting of the Council of Environment Ministers, but up to one month ago the directive on lead content in petrol had not yet been adopted. At the same time, I should like to know what point has been reached and what has been the outcome of the directive on biological monitoring of populations against the risk of lead poisoning. When we talk about populations, we must think in particular about babies, who play in fields — fields are next to roads — and lead from petrol settles on the grass in these fields. Babies are therefore playing in a polluted environment and they are the first to suffer all the consequences of lead poisoning, which are many and harsh with long-term effects as well. The Committee on the Environment and Public Health considered that there should not be any blatant contradiction in terms between workplace and health. The dilemma which existed between the need to occupy a workplace and for health protection has now been largely overcome. No proof has been provided that well-managed and administered firms have been forced to close because they have taken measures in order to protect the health of their workers. Badly managed firms, or ones which do not know how to plan ahead, close, but firms which think about the health of their workers do not close because expenditure on worker health means much greater sums saved by the community.

I should like to conclude by saying that, as a member of the Committee on the Environment and Public Health, and as a Member of the European Parliament, we ought to keep in mind that what the World Health Organization calls good health in its definition a state of complete physical, mental and social well-being, not merely an absence of disease and infirmity, combined with the possibility of developing and maintaining the

individual's physical functions, which means the functions of the men, women and children we represent here.

**President.** — I call Mrs Scrivener to speak on behalf of the Liberal and Democratic Group.

**Mrs Scrivener.** — (*F*) Mr President, ladies and gentlemen, I would like to make a couple of comments on this very difficult subject, but first I must thank Mr Newton Dunn and all the experts who have taken part in this complicated task. Complicated because we are trying to bring about improved protection for workers, and that is something we all want, but at the same time we realize that it means asking employers to stand the cost of our new demands. And that, of course, is a problem which we should not underestimate.

The essential problem in protection lies in the difficulty of measuring precisely the amounts of lead in the atmosphere and in the blood and urine of those people who are at risk. The problem arises basically because of the lack of precision in the measuring instruments which are currently available on the market. That is a point which I have already had to make during our deliberations and I was glad to see that it was included in the resolution. Indeed, I recently put a written question to the Commission in which I made the point that problems arise from the fact that when different measurements are taken, comparisons no longer have any validity.

It does however appear that the Committee on Adaptation to scientific and technical progress has been given the job of establishing measurement methods. I should like to know what the role of this body is, and what its work calendar consists of. Because the fact is that when the Committee on the Environment asks the Commission in Brussels to ensure that lead concentration measurements were comparable in every Member State, it is not enough to ask for it to be done 'as soon as possible'; a date has to be specified. Because we all know from experience that in an area as sensitive as this the time required to put the Commission's proposals into effect is likely to leave the directive useless. And of course that is not what we are seeking. For this reason I proposed a time limit of 1985 and the Committee on the Environment has accepted it.

A second comment: it looks as though it will be necessary to give financial aid, if this is possible, to the industries concerned so that small and medium-sized undertakings in particular can fulfil their obligations under the directive in a proper and efficient manner, and I have tabled a new amendment to that effect.

My third and last comment relates to Article 8 of the directive, where I believe we should keep the limit values which the Commission is proposing. On the other hand, these limit values should be applied to men

### Scrivener

as well as to women, for the simple reason that in practice men and women work together in the same factories and are subjected to the same hazards. I shall therefore be asking for Article 8 (b) to be subject to a separate vote so that we can vote on paragraph b — which says that there shall be no discrimination between men and women, and which has been adopted by the Committee on the Environment — but so that we can also restore the Commission text as regards the levels of lead in the blood. This is because I think that we must be realistic here, and being realistic means that we must keep the first levels: we shall have trouble being efficient if we set different standards.

**President.** — I call Mrs Roudy.

**Mrs Roudy.** — (F) I would first of all like to offer my thanks to Mr Sherlock who has given us a great deal of enjoyment this evening at the end of what has been a very wearisome day. I have a very soft spot for the English language and am always moved when I hear it used to great effect, and I am sure that he was doing so just now. There was even, I think, a touch of Shakespeare in what he was saying, and I am genuinely grateful for the aesthetic pleasure which it gave us.

I do have to say though, Mr Sherlock, that we are talking about serious matters and that we must be serious about them. What we have before us this evening is a directive aimed at protecting working people, and aimed at protecting working men and women. It is a fact that this directive sets different norms for the sexes and that the result would be that almost 70 % of women of working age would be barred from jobs at a time when they need to work. The fact is that people do not always work for fun and women do not spend the whole of their lives from 14 to 45 bearing children. That was true enough at one time but it is no longer the case. A lot of women need to work nowadays. Implementing norms of this kind could lead to ridiculous situations like those I read of in an American journal where it is reported that in two companies, Banker Hill and the American Dynamated Corporation, a number of women workers were forced to be sterilized in order to keep their jobs. I have got the article in front of me here. It was in the *New Scientist* on 25 September 1980.

And then there is another argument. The point which Mr Ghergo made so well is the recent discovery that lead is very much more harmful to men than had previously been thought. So harmful in fact — and there has been cases at the Penaroya works in France — that failure to give adequate protection gave a number of male workers problems with their genital organs; some of them became impotent. Lead, ladies and gentlemen, is bad for every organ in the body. We didn't know it before but we suspected it; now we are sure. The only way in which we shall be able to right

these wrongs is to adopt the lowest possible level for everybody, which is what the Commission did after a long and serious debate. That is the only way in which we can protect the health of all working people without jeopardizing another right which should be sacred but which is not, and that, in the crisis we have about us today, is the right to work and the right to earn.

**President.** — I call Mrs Schleicher.

**Mrs Schleicher.** — (D) Mr President, ladies and gentlemen, I asked to speak because I should like to explain the motives underlying the two amendments I have tabled and for which I think I can count on support, at least in some cases, judging from what has been said by various speakers.

Since lead has been mined and processed for centuries, the occupational diseases to which it can lead are among those few which have been best researched up to now, and for the same reason protective measures in this sector, including in particular monitoring of the health of the worker, also has a very long history. I can say on behalf of my own country — and this does not necessarily apply for other countries as I do not know whether the same progress has been made elsewhere as regard protective measures — that we lowered the biological values only a few years ago. This led to increased monitoring since if the blood level at a particular place of work falls between 60 and 80 µg/100 ml, more strict monitoring is now required. If, however it is higher than 80 µg/100 ml, the person in question must discontinue work at this point. This has led to a drastic reduction in the incidence of illness resulting from lead at the workplace. For example, in 1974 there were eleven cases, in 1975 fourteen, in 1976 seven, in 1977 seven again and in 1978 only five. We take the view that this reduction in the number of lead casualties has been achieved by the measures introduced and this is why I have quoted these figures.

In the new Commission proposal, the blood values have been reduced to 60 µg/100 ml, which means that if a worker is found to have this amount of lead in his blood, he must stop working at the place in question, since under Article 12, workers may no longer be exposed to lead if one of the individual biological limit values is reached. This means that the values specified by the Commission are above those in force in Germany up to now.

However, if, for the sake of equal conditions we reduce the limit values still further in the interests of women and fix a level of 40 µg/100 ml for all workers, i.e. including men, a series of workers will suddenly have to give up their jobs without there being any evidence that the risk to their health is such as to justify this. Anyone can give up his job if he wishes to, but if he is compelled to, this is, I am sure you will agree, a rather drastic step to take.

**Schleicher**

I myself was the chairman of a special "women and society" committee within the German Bundestag, and one of the main subjects we dealt with was the protection of women at work. We wanted to determine whether the extent of protection should be reduced on the grounds that it could lead to discrimination against women. Members of this committee, of every political complexion, took the view that special protection for women must be maintained in the future, in view of their child-bearing capacity.

The amendments I have tabled are to the effect that the values proposed by the Commission and the distinction between men and women should be maintained. There should certainly be special protection in the case of pregnancy, but, for the rest, the level proposed by the Commission should be adopted. We need regular monitoring, we must ascertain the danger area in good time if we are to be able to draw conclusions and we must avoid damage to health.

Finally, I should like to thank Mrs Scrivener whose views on health certainly correspond to those of our Committee since she herself has occupied a post in her own country with responsibility for health matters and knows how far-reaching the consequences of such matters can be. Since she dealt with the same points as I did, I should like to urge Parliament to give further thought to these matters and vote in favour of my amendments tomorrow.

**President.** — I call Mr Skovmand.

**Mr Skovmand.** — (DK) Mr President, the proposal we are discussing here today concerns the protection of workers against harmful exposure to metallic lead and its ionic compounds at work. This would appear at first sight to be something which we can all support.

After all, we must all be in favour of protecting the workers against exposure to illness resulting from work with substances containing lead.

Nevertheless, I should like to urge you to vote against the proposal, since it is not in fact at all aimed at protecting workers, in that it might result in their being exposed to a greater dose than would otherwise be the case since it makes senseless distinction between men and women and introduces a dangerous principle, i.e. that the workers should be examined and replaced out rather than doing something about the conditions which are causing them to fall ill in the first place.

These are harsh words, but unfortunately they can be backed up. One need only look at the so called limit values, i.e. the permissible quantities of lead in the atmosphere at a workplace for which a value of 150 µg/m<sup>3</sup> air has been proposed, whereas the regulations in force in Denmark stipulate no more than 100 µg/m<sup>3</sup>. The same level applies in the USA, and in Japan it is as low as 50 µg. Thus we are permitting a far higher level of lead pollution than the countries with which we are competing.

Naturally, the adoption of this report would not mean that Denmark would have to change its regulations so that they would be just as bad for the workers as the Community regulations. However, there is a considerable risk that they might rub off. At any rate, it is worth mentioning that the Danish Employers' Association supports the Community proposal.

The provision that particularly low limit values should be applied for women of child-bearing age is also unfortunate since this could easily result in women being barred from a number of jobs, rather than the conditions being improved. It is perhaps worth pointing out in this connection that this will not necessarily protect future generations from damage since, according to some researchers, male spermatozoa may also be damaged as a result of exposure to high levels of lead.

Finally, the proposed directive advocates taking account of the susceptibility of the individual worker to lead. In other words, the workers are to be divided up into those who can tolerate the dangerous workplaces and those who cannot. This could mean that the latter group would be kicked out. I do not think it was the kind of thing which Darwin had in mind when he spoke of the survival of the fittest.

The Danish Council on the Working Environment has discussed the matter and the wage earners' organizations, the LO and the FTF, have called on Denmark to veto this directive if the same low limit values cannot be introduced. This stresses the seriousness of the doubts we must have regarding this proposal. For this reason, I should like to urge you once more to oppose it.

**President.** — I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission.** — (NL) This evening's agenda includes an item concerning a first application of the framework directive which is to be used as the basis for a number of directives to be drawn up by the Commission regarding safety and health at the place of work. The framework directive has also been formally adopted by the Council following consultation with the Greek Government. As Mr Sherlock has rightly pointed out, this directive has provided the basis for a number of measures concerning the health of workers.

The interests of the workers in general are, at the present moment, very much a central issue in Europe and the fact that this is not always the case became apparent to me this week when I had to defend the Commission's proposal regarding the social interests of the workers in the steel industry before the Council of Ministers. I just wanted to mention this in passing.

The Commission has now submitted the proposal under discussion today, as well as a second proposal to



## Vredeling

the Council regarding asbestos. Our first directive concerns lead since it is the toxic effects of this substance about which most is known. The toxic effects of lead and lead contamination at the place of work have been known for a long time and we have a more complete understanding of lead and its toxic effects than of any other substance, as Mrs Schleicher has just pointed out. This directive concerns the interests of a very large number of workers. Over one million workers within the European Community come into contact with lead and derived products. The proposal therefore affects a major proportion of industry within the Community and brings the two sides of industry at European level and within our Member States face to face with the specific action being taken by the European Community in the field of safety and health at work.

What then are the main aspects of the proposal? First of all, I think, there is the principle that all workers exposed to lead should be protected. Our directive contains requirements regarding individual and collective protection of workers and hygiene measures. A number of limit values based on two indicators have been proposed, i.e. firstly, the blood levels and secondly, the urine levels. In view of the technological and economic difficulties which an immediate and full-scale introduction of these values would entail, we have divided our proposal up into a number of phases. However, with an eye to the most vulnerable group of exposed workers — and I am referring here to female workers during pregnancy and female workers of child-bearing age in general, who have already been mentioned by several previous speakers, most of whom were themselves women — we have proposed more stringent conditions for immediate application. As the progressively more stringent limit values for all workers come into force in the course of time, the difference between the degree of protection enjoyed by the various categories of worker will become smaller. In addition, the Commission intends to restrict the number of workers exposed to toxic substances. This has also been included as one of the objectives of the framework directive.

We are, Mr President, pleased at Parliament's support and the way in which our proposal has been received. A fairly large number of technical amendments have been proposed by the parliamentary committee and I should, in particular, like to say a word of thanks to Mr Newton Dunn.

*(The speaker continues in English)*

Thank you very much, Mr Newton Dunn, for the way you were rapporteur of this committee in a technical, rather complicated subject, but the way you have done it and even sometimes against your own conviction perhaps has given in an impartial way the opinion of the majority in the parliamentary commission.

*(The speaker continues in Dutch)*

Mr President, virtually all of the amendments tabled by this Parliament are aimed at increasing the extent to which the workers are protected, but without going to extremes so that the Commission can, in general, go along with the wishes put forward by Parliament in the motion for a resolution. Thus the Commission's proposal relates to all workers who are exposed to lead, except in cases of minimal exposure. The extensive existing legislation in this field in the Member States has not stopped the Commission from making a provisional recommendation to the Member States to the effect that protection of workers against lead should immediately be extended to cover those categories of workers who are not currently covered by the legislation in question. As you know, Mr President, the deadline for the application of our directive is twelve months and we have proposed a transitional period up to 1 January 1985 for the more stringent requirements proposed in our directive. However, I can promise Parliament that the Commission will endeavour in future to ensure protection which is as complete as possible and the same for both men and women. This is a field in which many questions still remain unanswered and to which I shall return shortly.

I now come to the motion for a resolution contained in the Newton Dunn report. This presents virtually no problems and I should particularly like to point out that paragraph 9 of the motion for a resolution states that this directive and the existing framework directive must be brought into line with each other. I very much like this idea, Mr President, and I can assure Parliament that, quite apart from the proposed amendments contained in the Newton Dunn report, will adapt this directive to the framework directive which was formally adopted recently and reflect this in amendments which we will propose to the Council.

Three amendments to this motion for a resolution have been tabled. Firstly, there are two by Mrs Schleicher concerning equal health standards for men and women. I will go into this point in a little more detail shortly when I come to deal with the amendments to the content of the regulation. An amendment by Mrs Scrivener, Amendment No 2 concerns the desirability of granting aid from Community funds to small and medium-sized undertakings to help them fulfill the obligations laid down in this directive. I must say that the budget, which has also been discussed extensively and in a manner which was interesting from the political point of view by this Parliament today, contains no appropriations for this purpose so that I cannot, unfortunately, satisfy this wish, which remains primarily a job for the Member States.

I should like to deal now with the proposed amendments and I hope you will be patient here as a very large number of complex amendments have been proposed by the parliamentary committee and if we take the legislative process in our Parliament seriously,

### Vredeling

I must deal with them all. This is essential in a parliamentary democracy. Firstly, there is the proposed amendment to Article 4 (2) regarding the frequency of measurements of lead in the atmosphere. We proposed that measurements should be made at least once per year. The parliamentary committee calls for three times per year. The Commission has no objections to this proposal and will therefore adopt it.

A second amendment has been tabled to Article 4 (2) to the effect that measurements should be made at times when the lead content is likely to be at a maximum. This poses no problems either except that I must perhaps make the reservation that it is probably not technically possible to determine these times.

Then there is a further amendment to Article 4 to the effect that the workers should be given the right to demand additional tests on the air. We have no objections whatsoever to this either. We can also accept the amendment proposed to Article 5 (1) to the effect that the employers should bear the costs of the surveillance and the second amendment to the same section of this article calling for measurements of the lead levels in the blood every six months and in the urine four times per year. This would be a little more frequently than we had proposed, but is nevertheless acceptable.

An amendment has been tabled to Article 5 (2) to the effect that in cases of conflict or contradiction the blood level should take precedence over the urine level. This is self-contradictory. We proposed that action should be taken as soon as one of the lead levels, either in the blood or in the urine, approaches the danger area. I do not think therefore there can be any question of conflicting measurements and for this reason we cannot adopt this proposed amendment . . .

**President.** — Mr Vredeling, Mr Sherlock would like to put a question on this point. May he interrupt you for a moment?

I call Mr Sherlock.

**Mr Sherlock.** — In the entire document, from one end to the other, about urine blood-levels, the urine level referred to is a minor levulenic acidoxydose — nothing to do with lead in the urine at any point.

**Mr Vredeling.** — (NL) . . . Mr President, my assistant, for whom Mr Sherlock also had some words of praise only recently, has just given me a brief lecture on the lead levels in the blood and the ALAU levels in the urine. If I got the two mixed up, Mr Sherlock, I hope you will forgive me as I am no expert in these matters.

I had come to the amendment proposed by the parliamentary committee to Article 5 to the effect that the workers should be entitled to ask for additional tests

to be carried out should they consider this necessary. This too strikes me as a reasonable request on the part of the parliamentary committee, provided of course that it does not prove possible to abuse this right. It is fairly a logical idea and must naturally be reflected in national legislation.

Article 6 deals with limit values. The proposed amendment to this article relates the limit value to an individual worker or a specific workplace. This point is, I think, already covered by Article 2 so that I must advise Parliament against adopting this amendment on the grounds that it is superfluous.

This brings me to a number of amendments which are more interesting from a political point of view, i.e. a series of interrelated amendments to Articles 6, 7, 8 and 9 relating to the problems of equal health standards for men and women. Various speakers have already gone into this question, including in particular, Mrs Roudy and Mrs Scrivener.

Mr President, I recognize the existence of the problem to which Mrs Roudy, among others, has rightly drawn our attention, i.e. that different standards may lead to *de facto* discrimination between men and women in which women will be put at a disadvantage, particularly as regards their chances of employment. The question is simply how we can counteract this *de facto* discrimination. Mr Sherlock spoke on this matter and quoted the man sitting on my left, Mr Alex Berlin, who is a Commission official. I should like to point out, incidentally, Mr Sherlock — I do not know whether you have been a member of a national parliament — that this is not customary. Officials who cannot defend themselves in this House should not be mentioned by name. I do not think this is very fair, and in order to protect my assistant, who cannot speak in this House, I should like to ask you to regard these words as unsaid. At any rate, I will not go into the matter. A number of speakers, particularly female Members of this Parliament, have already answered Mr Sherlock to a certain extent and it struck me that they did not get angry with him but rather spoke to him somewhat gently as if to a child. I cannot do any better than that so I will not try.

As regards the problem which has been brought up, the first question which must be considered is whether, from the medical point of view, the same standards are necessary for men and women, and the Commission has started work on a detailed study with a view to clarifying the matter since the available data regarding the effects of lead on the reproductive organs of women and men are inconsistent. The harmful effects on the development of the foetus are detected at an early stage.

I can inform Parliament that this study, which is co-financed by the Commission — and I am saying this partly in answer to Mr Collins, who is no longer present, but who said that it would be useful if the

## Vredeling

Commission gave specific references to the work done under this study and indicated who was carrying it out — is being carried out jointly by the Institut du Cancer in Paris and the Istituto di Igiene in Modena. The results will in all probability be available in the course of 1982 and should it be found that the harmful effects of lead on the human reproductive system represent similar risks in the case of both men and women, the Commission will not hesitate to propose an immediate adaptation of the directive without waiting until 1985. The amendments proposed in the Newton Dunn report envisage an adaptation of this kind only in 1985, but if consequences should come to light as early as 1982 on the basis of the study I have mentioned, we feel that 1985 would be too late. I go along with Mr Ghergo on this point. It might emerge from the study that we should adapt the directive immediately. However, in the Commission's view, these health standards for men and women should be laid down in a scientific manner on the basis of medical considerations and I have no intention of making any statement whatsoever on the question at this stage. I will merely make the point that differences do exist in view of the differences in the biological functions of men and women. This applies in the case of lead, but not exclusively in the case of lead. There is a whole series of toxic substances which have a similar harmful effect on the reproductive system, for example, arsenic compounds, benzene, formaldehyde, phenols, toluene, mercury or carbon disulphide. These are all chemical compounds which have been seen to produce the same harmful effects on the reproductive system, and this is a medical matter, Mr President, which should not be confused with anything else. It is my firm conviction that health standards should not be used as a weapon in the fight for equal conditions for men and women, however much this is in itself a just cause. Medical health standards should not be used in this fight as it is a field in which other criteria apply and, in addition, other directives already exist within the European Community. For this reason, we cannot adopt the relevant amendments proposed by the Committee on the Environment, Public Health and Consumer Protection, although, as I have already mentioned, we do sympathize with the motives underlying these proposed amendments. However, as I have said already, we must not confuse the weapons needed to conduct the campaign for equal treatment for men and women with these health standards unless it should transpire that the health risk arising from these chemicals is the same for men and women. However, this still remains to be scientifically demonstrated and I think this is rather a matter for the study I have just mentioned.

In an Oral Question tabled by Mrs Roudy this week, which will receive a written reply, she mentions an example from the United States where women must agree to sterilization before they can work in factories where they may be exposed to lead. I should like to remind Mrs Roudy, Mr President, that, as she knows, such a thing is impossible in this Community as it

would be totally in conflict with the principle of equal treatment and the most fundamental principles — indeed with the principles of human rights. I am sure she will realize that I go along wholeheartedly with her total condemnation of a situation of this kind.

I come now to the amendment proposed to Article 7 (b) to the effect that on return from maternity leave, women should be entitled to occupy an equally important post as they occupied prior to their pregnancy. I can go along with the general aim of this amendment, but in my view it does not belong in a directive concerning health protection at the place of work but rather in general regulations on workers' protection relating to maternity leave and in the near future, let us hope, parental leave. Naturally, the question must be settled. Then there is an amendment to Article 8 which, as in the case of Article 6, relates the limit value to an individual worker or a specific workplace and, as in the case of Article 6, I would advise Parliament not to adopt this amendment. At any rate, the Commission cannot adopt it. Finally, Mr President, an amendment has been tabled to Article 9 (3) to the effect that the list of industrial activities to which this directive applies should not be regarded as exhaustive and this is an amendment which we can certainly adopt.

The Committee has also proposed adding a fourth paragraph to Article 9 to the effect that derogations may only be made provided the workers are informed and give their prior consent. I would, however, advise Parliament to reject this proposal. Naturally the workers should be informed if different arrangements are made, but this point has already been covered in the framework directive. As Parliament is aware, I am a great protagonist of workers' participation and thus endorse this idea in principle. However, I think nevertheless that the government, given the protective role which it has to play, must maintain the right to take more stringent measures or lay down more stringent limit values than the workers themselves might feel to be necessary. The amendment to Article 12 (1) regarding measures to be taken in cases where the limit value is exceeded, i.e. that the individual concerned must be removed from exposure to lead if the person medically responsible deems this necessary, in my view constitutes an improvement on our proposal and I can thus go along with it. For the rest, the text of the proposed amendments restricts itself to the individual worker and I think that it would in fact be more logical to draw up a text which could also apply to several workers taken as a group. I can also go along with a further amendment to the same paragraph of Article 12 regarding workers who should no longer be exposed to lead. Article 13 concerns measures to be taken by the undertaking in cases where the lead levels are likely to be exceeded. In our proposal, Mr President, these measures would apply from 1985 onwards and the proposal to replace the reference to Articles 8 and 9 by a reference to Article 6 would mean that the provisions contained in Article 13 would come into force immediately when the Direc-

### Vredeling

tive comes into force, instead of on 1 January 1985. I have naturally no objections whatsoever as regards individual cases where this would be technically feasible, but we cannot adopt it as a general rule and I would therefore like to advise Parliament against adopting this amendment. For our part, we cannot adopt it.

We can, however, adopt the second amendment proposed to Article 13 (2). Unavoidable operations must be permitted provided adequate protective equipment is worn. In Article 13 (3) the Commission stipulates that workers must be made aware of the need to use suitable respiratory protective equipment in the case of incidents. The amendment proposed to this paragraph is twofold. Firstly, it asks that the workers should be removed from the radius of action of the lead. This poses no problems and the Commission can also accept the second part which states that workers who must stay at their posts for technical reasons must be warned of the obligation to use suitable respiratory equipment.

Article 14 concerns the protection of food and drink and smoking materials against lead. We can also adopt the amendment proposed to this Article which in fact is a refinement of our own proposal. Then there is Article 15 (1) regarding protective clothing, etc. The first amendment stresses once more that protective clothing must not be used as an excuse to neglect other regulations. We can adopt this proposal as it constitutes an improvement. The second proposal on this subject draws particular attention to head covering and footwear in addition to other clothing. I have no objections to this being included in our proposal although it is not strictly necessary. Article 15 (3) makes the provision of washing facilities and showers compulsory. The amendment to this paragraph mentions hot showers during working time. This poses no problems either and in fact I could do with one myself just now.

Paragraph 4 contains provisions prohibiting the removal of working clothes from the place of work. The proposed amendment makes these conditions more detailed in such a way as to improve on them, in my view, and I can therefore go along with this proposal. A fifth paragraph has been added to Article 15 regarding the cleaning and separation of the areas. The Commission can accept this addition. Then there is a proposed 6th paragraph regarding facilities for the storage of food and other refreshments. This is in fact a repetition of the amendment proposed to Article 14 and I therefore have no objections to it as it is superfluous.

Then it is proposed that a new 7th paragraph should be added to the effect that reducing lead pollution at the workplace should not be allowed to cause an increase in environmental lead pollution. This is a question of the dividing line between the directive on the protection on the place of work and the protection

of the environment. However, this problem has already been settled in the framework directive, in Article 6 (3) to be precise. Then there is Article 16 (1). Here too an amendment has been proposed to the effect that the worker should be required to make proper use of the protective equipment provided. I think this is quite right, but it strikes me as a little vague to say that the worker must make proper use of the protective equipment provided and for this reason we do not intend to adopt this amendment.

Article 16 (2) stipulates that female workers should be informed about the risk arising from exposure to lead during pregnancy. This information should be provided both prior to and during the pregnancy. This strikes me as extremely appropriate and we can thus adopt it. Article 17 (3) and (4) states that the workers should be regularly informed of the results of the measurements. The amendment tabled by the parliamentary committee reverses the order of these two paragraphs, which constitutes an improvement which the Commission can go along with. Then there is Article 19 which states that an annual meeting should be organized with representatives of the Member States to discuss the progress and application of the directive. The amendment calls for similar consultation with the workers. This, however, has already been provided for since we have an advisory committee for the action programme on safety and health at the place of work which includes representatives of the employers and employees and for this reason I should like to reject the amendment since what it proposes has already been provided for in a different way. The amendment to paragraph 2 calls for a more detailed two-yearly report. I can go along with this. Finally, it is proposed that ship breaking and other demolition work involving burning of lead paint should be added to the activities included in Annex I. The Commission can accept this addition.

Mr President, I have had to bore Parliament with a great number of technical matters, but this is in fact part of Parliament's work, as technical aspects are also important. The matter before us is one which directly affects millions of workers within the Community and is an aspect of what is referred to as a Europe with a human face.

**President.** — I call Mr Newton Dunn.

**Mr Newton Dunn, rapporteur.** — Mr President, I am going to be very brief indeed. The Commissioner took a great deal of trouble and he said he hoped he had not been boring us. This Parliament, and I know I speak for all my colleagues, wanted to take its responsibilities on European legislation very seriously. The committee have taken almost one year on this report to get to this stage. I personally am very appreciative that the Commissioner has gone to so much trouble to go through it section by section. He did not bore us at all. It was very valuable. I am sorry to see that he is

**Newton Dunn**

leaving his post soon and I wish him the very best of luck in whatever he undertakes next.

*(Applause)*

**President.** — I call Mr Sherlock.

**Mr Sherlock.** — Mr President, I feel I cannot let the opportunity escape to convey my good wishes also to Mr Vredeling. Perhaps those you appreciate most in the work that you do are those who don't dare to cross swords with you. We are each fairly formidable opponents. If I could put my last sting in my tail, I really must apologize for transgressing some, to me hitherto unknown, unwritten rule in mentioning the colleague whom I respect so very much; but, unlike the Commissioner, he and I are both equally well able to defend ourselves: we are both professionals.

**President.** — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

16. *Application of social security schemes to employed persons*

**President.** — The next item is the report (Doc. 1-552/80), drawn up by Mr Ghergo on behalf of the Committee on Social Affairs and Employment, on the

proposal from the Commission to the Council (Doc. 1-310/80) for a regulation amending, for the benefit of unemployed workers, Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons and their families moving within the Community.

I call Mr Ghergo.

**Mr Ghergo, rapporteur.** — *(I)* Mr President, ladies and gentlemen, I feel sure that I will not need to put forward very many arguments to support the need for Parliament to approve this motion for a resolution aimed at amending Regulation No 1408/71. Very briefly, it can be said that this would make possible the export, so to speak, from one Community country to another, of unemployment benefit and pre-retirement pensions, and this represents one more step towards the implementing of the principle of free movement and of Article 51 of the EEC Treaty, and through this we can meet the social concerns which are especially relevant in the present economic situation which is unfortunately very different from that which existed in 1971 when Regulation No 1408 was drawn up.

During this slump, it seems essential to adopt all possible measures which might reduce its adverse effects on workers, in general, and on migrant workers in parti-

cular. Naturally, it would also be necessary to find alternative measures with which to combat the work market's present difficulties, which is leading everywhere to an increase in the number of unemployed. However, the fact of giving the unemployed greater mobility and therefore greater potential for seeking a new job, is a necessary adjunct to this action. The freedom of workers, which is recognized, to change jobs between one Community country and another is not complete as long as it does not include the right to transfer social benefits acquired by virtue of an employer-employee relationship terminated by dismissal or in some cases by voluntary resignation.

On these lines, the Commission proposes that the present system be supplemented, a system which lays down the right to retain unemployment benefits in the event of transferring one's residence to another Community country for a maximum of three months from the date of the last job. At that time, a period of three months was considered sufficient because a worker could find another job. Today, this time limit is unfortunately totally insufficient. This amendment which amongst other things and with some modifications of a technical nature, extends the right to transfer unemployment benefits to seamen and some minor worker categories, more or less abolishes the time limit of three months, if the transfer of rights takes place under specified circumstances.

In the cases covered by this amendment, social benefits are paid by the social security institution in the Member State to whose territory the worker who is totally unemployed has transferred his place of residence. The competent institution of the Member State to whose legislation the worker was subject before his change of residence is obliged to reimburse benefits for a period of six months at a rate of 85 % of the corresponding sum. The special nature of unemployment benefit justifies the fact that this is a partial exception to the general rule by which social security benefits should be paid by the Institution of the country in which the worker is employed.

Even if it is not perfect, the new system means that new opportunities are offered to the unemployed, who can choose whether they wish to benefit from the old system or the new. Similar considerations are applicable for pre-retirement pensions which have been set up by law or to agreements which are aimed at removing older workers or unemployed persons from the labour market in order to make these jobs available to young workers.

These benefits which share certain characteristics with unemployment benefits or old age pensions, whilst nonetheless being very different from the one and the other, can be either decided upon on an industrial sector basis or as a result of prevailing economic conditions. Regulation No 1408/71 did not cover these possibilities because at the time it was published, they did not exist. Where social security benefits are

**Ghergo**

concerned, the exportation of such benefits, within the meaning of Article 58 of the EEC Treaty, is permitted for workers who transfer their residence after having become entitled to such benefits and also to frontier workers.

However, we also recommend to the Commission to speed up work on extending Regulation No 1408/71 to self-employed workers as Parliament asked at the end of 1978, and I propose to the House that it should vote in favour of the motion we are now examining, which should nonetheless be viewed as another stage in the general process of reworking standards relating to the social security systems, a reworking which is necessary in order to update the very concept of social security and in order to speed up the process of European integration.

I should like to conclude by expressing once more the hope that it will be possible in the not too distant future to achieve the drafting of a Statute of the European Worker in order to highlight the social nature of our Community and to give true expression to the notions of free movement and right of establishment.

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

**Mr Oehler.** — (*F*) Mr President, ladies and gentlemen, by and large the Socialist Group is in favour of the Commission's proposal to amend Regulation (EEC) No 1408/71 as it affects a worker's right to unemployment benefit on a change of residence.

However, I should like to point out that this proposal from the Commission ought to have been made years ago. The fact is that for at least four years we have had a situation where workers living near frontiers — near the France-Belgium frontier, for example — have not had the right to export their preretirement and early pension entitlements. The Socialist Group therefore supports the Commission's proposal and Mr Ghergo's motion for a resolution on behalf of the Committee on Social Affairs and Employment, although we have two amendments which I would now like to put before you.

The two amendments relate not to the problem of exporting preretirement entitlements but to unemployment benefit paid to workers who are no longer resident in the country where they last worked. I am not talking about those workers who move of their own free will to a different Member State from the one in which they were last employed, but about frontier workers whose personal circumstances oblige them to leave the country of their employment when they lose their jobs. The Community rules set a number of principles, including that of equal pay. The intention is that Community workers should have the same rights and the same obligations as the citizens of the country where they are working.

Now while there remains between the frontier worker and his employer the direct link either of full-time work or of short-time work there is no derogating from this rule. But at the moment under Community rules the problem arises when the contract of employment is terminated. Full unemployment benefit for the frontier worker is payable by the country of residence, which is the only competent authority. The Commission is quite properly proposing to amend Regulation 1408 to the effect that the country of residence should calculate unemployment benefit on the basis of the most recent earnings and not, as is current practice, on the basis of the estimated average wage in the country where the frontier worker has his residence.

Having said that it is also my view this amendment should be given additional force by stipulating that the financial burden of a frontier worker's unemployment should be borne by the authorities of both the Member States involved, that is both the country of the most recent employment and the country of residence. It is deplorable that unemployment benefit for frontier workers is paid only by and in the country of residence, and that the country of employment bears no part of the economic and social costs. Experience has shown that the country of employment can, and frequently does, manipulate the frontier labour force to meet the needs of the economic situation, without paying the resulting social costs. What is more, it should be remembered that both the frontier worker and his employer have to pay social security contributions in the country of employment. Under Regulation No 1408, the frontier worker is a beneficiary of the scheme of the country of his employment from the moment his application for benefit is received. And he is entitled to that benefit if he lives within the boundaries of that country.

Both countries therefore have to become involved. It is a political problem but I think it is also a technical problem: when we think of the volume of one-way cross-frontier migration, the unemployment benefit funds in countries of residence are likely to have serious cash-flow problems.

I should also like to say that this debate does not seem to me to be the place to tackle the whole problem of unemployment among frontier workers; I would simply point out that while the amendment proposed by the Commission is a positive step, aimed as it is at taking account of the employee's most recent wage, it does not solve the problem of workers whose unemployment benefit is not based on the most recent wage since certain countries' rules allow only flat-rate benefit. I should like finally to advise Parliament that I intend to bring forward proposals on this subject in the report on frontier workers which the Committee on Social Affairs and Employment has asked me to draw up.

**Oehler**

My second amendment is designed to fill a gap — in the Commission's proposals — the formula which my amendment proposes fits in with the system set up by Regulation No 1408 and implementing Regulation No 547 (1972), and its aim is to give frontier workers a number of safeguards against currency fluctuations.

**President.** — I call Mr Prag to speak on behalf of the European Democratic Group.

**Mr Prag.** — Mr President, a great deal of nonsense is talked about social security, and social security for migrant workers usually comes in for its fair share of this. Some of you may remember that a few weeks ago an extraordinary booklet was published commercially in Italy explaining how to have a six-month holiday on social security in the United Kingdom. The booklet forgot to mention that in normal circumstances the entitlement would be £ 15 a week, and if anyone can live on that they are welcome to try. The payment of other social security benefits to Community nationals working or looking for work in a Community country other than their own is, in fact, subject to very stringent conditions and controls.

The Commission's proposals dealt with in the Ghergo report, the modifications to Regulation (EEC) No 1408/71, retain all the existing controls. The big change, as Mr Ghergo has said, is to make unemployment benefit in a Community country other than one's own payable for six months rather than for three months, and that, it seems to the European Democratic Group, is right in a period of high unemployment. The proposal would also make early retirement pensions payable in any Community country. That too seems right and normal and proper. We in the European Democratic Group warmly welcome this proposal from the Commission to ease and humanize the payment of these benefits to workers who move to a Community country other than that where they have been working. It strengthens the freedom of people to move anywhere in the Community, and that is one of the pillars on which the Community is based.

We welcome too the general tenor of the Ghergo report and join with Mr Ghergo in his plea — which, in fact, the European Democrats were instrumental in adding to the report — that the Council should extend these benefits speedily to self-employed workers and to the non-employed and their families. It is absurd that those who have never been employed, perhaps through no fault of their own, those who are disabled, those who are divorced, those who are pursuing studies above the age of 18, should not be entitled to the benefits of the regulation on social security for migrant workers. We hope that the difficulties of the Danish Government will be overcome and that the Commission's proposal to this effect will be adopted rapidly.

However, there is a lot more to do, Mr President, than even completing the regulation along the lines I have just suggested. There is also a need to get the bureaucracy and red tape out of the system. Let me give you two examples from my own constituency of Hertfordshire. An unemployed young man — his name was Kevin — was told this summer that he would certainly be able to get a job picking grapes in France. Full of enthusiasm for his freedom to work anywhere in the Community, he borrowed some money and bought a ticket for Toulon so that he could pick grapes in the Languedoc. But he was rather early and the grapes were rather late. He could not get a job in Toulon, so he applied, as he was entitled to do, for unemployment benefit. Despite daily reminders, however, no unemployment pay was forthcoming. Finally, destitute and hungry, he went to the British Consul in Toulon. Well, all the British Consul was allowed to do according to his rules was to provide him with a rather expensive rail ticket home, the cost of which he had to repay. And so he had to leave France before the grape-pickers were taken on. Months later, back home and in debt, he received the perfectly correct amount of unemployment pay from Toulon — too late, of course. Another of my constituents received the absolutely correct amount of family allowances to which working in France for several years entitled him, but he received it in one lump sum 2½ years late.

Mr President, workers cannot wait until they are starving before they receive benefits under Regulation 1408. Our European social security legislation for workers who move to another Community country is excellent, but it seems to me there is a great deal to be done to make it work smoothly and humanly. So I ask the Commission to see that the Member States cut out the red tape and the bureaucracy. Otherwise Europe will appear to the man in the street as a snare and a delusion instead of a great historic development, and that would be a very great pity.

Now I would hate to close, Mr President, without adding my word to the tributes that have been paid to Mr Vredeling. This group has not always seen eye to eye with him, as he knows, but I remember him as a Member of this Parliament, as a scourge of the Commission and as a scourge of the Council of Ministers, and I do want to say, as a member of the Committee on Social Affairs and Employment, how much we have all appreciated his willingness always to be present when he could, to spend a great deal of time with us and to speak to us frankly. We have greatly appreciated it and we shall be very sorry to see him go.

*(Applause)*

**President.** — I call Mrs Nielsen to speak on behalf of the Liberal and Democratic Group.

**Mrs Tove Nielsen.** — *(DK)* Mr President, I should like to start, if I may, with a few remarks regarding

**Nielsen**

your own person. It seems to me that debates on social matters are very often scheduled for a very late point in the day's proceedings. I should therefore like to ask you, Mr President, to play your part in pointing out in the appropriate quarters what we discussed in the Committee on Social Affairs and Employment: we feel it is unreasonable that we should be the ones to have to do our work every time at a very late stage on the Thursday afternoon. This subject should have been debated a month ago as the final point on the Thursday afternoon. We did not get that far on the agenda, though, so the debate was put off until the Friday. Again we never got that far. Now it has been rescheduled as the third-last item on the agenda. I do not think we can allow social affairs to be treated as something that can be dealt with at the last possible moment because it is, after all, our everyday lives we are talking about here. I think it important to stress the fact that what we are talking about here is just as important as something which may seem rather loftier — if you will pardon the expression.

Moving on to the matter at hand . . .

**President.** — I would ask all the Members here today to pass on their remarks to the group chairmen, who are responsible for finalizing the agenda.

**Mrs Tove Nielsen.** — (DK) . . . Mr President, I am grateful to you for stressing that point. I can assure you that I have already pointed these matters out to the Liberal and Democratic Group, and I am given to understand that the support of the Liberal and Democratic Group will be forthcoming at the right time and place. I just take the view that one voice is not enough, and when there is something which concerns the Committee on Social Affairs and Employment, we should like to receive as much support as possible.

The subjects we are dealing with here today fall into two categories: the right to export unemployment benefits and the right of people who transfer their place of residence to export early retirement pensions.

Purely as a matter of principle, I must say that, in all the Member States, we are now faced with an unfortunate situation inasmuch as, everywhere we look, the level of unemployment is so high that we do not really know how to set about tackling it. It is a fact, though, that we have far too high a level of unemployment. In Denmark, various solutions have been tried; for instance we introduced early retirement pensions a few years ago, and I clearly remember that the domestic legislation referred to the fact that, if people were given the chance to take an early retirement pension, that would effectively release a number of jobs for the unemployed. We have now had a few years experience, in this matter, and although I am of the opinion that we politicians can always learn from experience, I must say that some people are finding work in

Denmark, and some are retiring early but the number of people who have found work is far less than the number who have retired early.

Another thing we have learnt is that there is too much talk of encouraging mobility, encouraging people to move to where the jobs are. Unfortunately, things are not that easy. In our experience, there are a lot of people who are not particularly motivated to travel a fair number of miles, even in a country like Denmark, which covers only a very limited geographical area. If, then, it is so very, very difficult to get people to move any distance to find a new job in such a limited geographical area, one is bound to wonder how we are to motivate people to move to a different country. But, having said that, I do not want to adopt a totally hostile attitude because both I and my group of course want to make it possible for as many people as possible to find work. The proposal we have before us, however, is too vague. The idea is that it should be possible to export these benefits 'under certain conditions'. We need a much more rigorous definition than merely 'under certain conditions'.

As regards the early retirement pension, I really believe we must make a distinction here. To our way of thinking, this is something which has to be dealt with by way of an agreement between workers and management, and for that reason, we cannot suddenly force them to help to finance people who choose to move from one country to another in the belief that they can simply collect their pension there. Of course, we want to play our part in investigating the question of exporting unemployment benefits, but we must certainly have more clarity as to the issues at stake. On the other side of the coin, there is the question of the exportation of early retirement pensions, for which I can see no justification.

I also believe that, throughout this debate, we must bear in mind the really essential point that something must be done to create more jobs. The Member States tackle this problem in isolation, but the problems are the same, and this is only the tip of the iceberg we are talking about here. The problem will not be solved in this House, and I do not therefore think that we should promise people that if they can export their social security benefits, this will enable more people to find jobs. All this may sound rather pessimistic, but, from my experience at home, it is true, and, in my opinion, politics should be based on experience and not on impracticable theory.

IN THE CHAIR: MR BRUNO FRIEDRICH

*Vice-President*

**President.** — I call Mr Calvez on a point of order.

**Mr Calvez.** — (F) Mr President, I listened just now to the reply your predecessor gave to Mrs Tove Niel-



**Calvez**

sen's pertinent comment on the late hour at which she was speaking, ten to eleven at night. I think everything should be understood among us, because the MPs here are at the Bureau's disposal and those who are absent are always in the wrong. I imagine that the steadfast crew who are still here will agree that neither the Presidency, the Bureau or the administration of this Parliament is to blame. If the continuation of the debate on the European automobile industry had not been deferred, I am sure that Mrs Tove Nielsen would not have spoken tonight. I think there are some things which have to be pointed out. I think I am being objective if I say that we are a loyal crew.

**President.** — Mr Calvez, that was a personal observation and not a point of order.

I call Mr Ghergo.

**Mr Ghergo, rapporteur.** — (I) Mr President, as rapporteur I think that it is my duty to reply very briefly to the remarks which have been made and I agree with what Mr Oehler said. Frontier workers are in fact a special category and they deserve special attention. But as there exists a measure in their particular favour, I agree with him that this question can be cleared up in this House. I also agree with the proposal he made in the amendment concerning the calculation of unemployment benefit, which rectifies and improves the Commission text.

To Mr Prag, I should like to say that the joke about the fortnight's free holiday is really and truly a joke, because you well know Mr Prag, that it is not in all cases where a worker changes his place of residence that he has a right to unemployment benefit. He only has it in specified cases, that is if he is returning to his country of origin or if he is returning to the country in which his descendants or spouse reside. Therefore a worker who goes from Italy to Great Britain has a right to nothing at all. However there is absolutely no reason to worry about this matter. For the rest, I agree with him and thank him for the appreciative words he addressed to me.

Lastly, Mr Nielsen made some interesting remarks. He said that we need to encourage worker mobility. The goal of these measures is precisely that of encouraging mobility, because it is quite clear that if a worker, as a result of having signed a work contract, has a right to a benefit, then he will have no incentive to move if by so doing he will lose his right to that benefit. Conversely, if changing residence does not make him lose the right he has acquired then he will be encouraged to go to countries where there might well be an opening which is on the other hand lacking in the country he leaves.

But the most important thing that you said Mr Nielsen was that concerning pensions. Well, in paragraph five

it is stated that pre-retirement pensions which are prescribed under Danish law cannot be exported and cannot be paid to people who do not reside in Danish territory. Therefore your concern is met by the measure which is laid down in paragraph five of the Directive.

**President.** — I call Mr Vie.

**Mr Vie.** — (F) Mr President, ladies and gentlemen, I shall be very brief, first of all because it is late and we are tired, and more especially because I am in agreement with Mr Ghergo, and a speech agreeing with the rapporteur is always shorter than one which disagrees. I should in fact like, on behalf of the Group of European Progressive Democrats, to congratulate the rapporteur for his excellent report on this very important question which I, like other speakers, would have preferred to see discussed in plenary session at a more appropriate time of day.

We are therefore all giving our support to Mr Ghergo's resolution. The fact that no one here can dispute is that we are currently experiencing one of the deepest and most serious economic depressions that we have known for decades, and that it is due to a whole web of complex reasons of which the most prominent, as we all realize, is the energy crisis. The current international situation is scarcely encouraging and we must all be fully aware of the serious risks involved in allowing the situation to become worse, by which I mean allowing an increase in the — alas — already intolerable number of unemployed people in our Community. Any social programme which is likely to improve the lot of those who are victims of this crisis can only be given our total support. I will not linger over the details of the rapporteur's resolution, let us simply say that it is our wish that the Community may reach satisfactory, equitable solutions so that there are no differences in treatment from one country to another, as these would be a source of bitter rivalry.

Like the rapporteur I would like to conclude by calling on the Commission to proceed without delay with a complete review of all those questions which relate to the standard of living and the dignity of those millions of Europeans who are perhaps less favoured than those of my own country.

I would also however like to add a few words which will give another dimension to this debate. The freedom of movement which was so happily advocated by the Treaties — it is after all one of the basic rights of mankind — is threatening to change its nature in the present economic climate, and indeed to degenerate; for those who are forced to seek a living far from their home area and their families it has become in a way the need to migrate. More often than not this migration leads to breaking up of the family nucleus, which is detrimental to children's development and raises a

**Vic**

whole range of complex financial problems which are the subject of the report to which we are giving our support. I trust that the Commission and Parliament will remain particularly sensitive to the family and social problems which economic problems give rise to, because in the last analysis what is at stake here is the future of a generation of young people, and that future is becoming more and more significant.

We often hear references in this Chamber, and elsewhere, to working people and to the social and economic problems related to work, and quite rightly so. I feel too, though, that a worker is not a simple statistical entity but most of the time a husband or wife and a father or mother. Now all the circumstances of this person's working life affect the family and the education of his children more and more seriously. And it is to the family, to the future of the next generation that I would like both Parliament and the Commission to give more and more of their attention during the difficult times that we are going through.

**President.** — I call Mr Skovmand.

**Mr Skovmand.** — (DK) Mr President, the report we are talking about today is a proposed amendment to a Community regulation which, in the Commission's view, has become out of date. When the legislation was first drafted, no one foresaw the current level of unemployment. As a result, we are now in the curious situation whereby Danish workers who move to another Member State of the Community are worse off than workers who move, for instance, to Switzerland. The present report sets out to solve this problem.

The reason why we in the People's Movement against Danish Membership of the European Community still have serious misgivings is because membership has been used to introduce new provisions. For instance, it is hoped to make it easier for people to move to the country where their spouses are working, and to make it more difficult to transfer pensions. It is difficult to see precisely what effects this legislation will have, but we believe that there is a definite risk of this leading to the underhand introduction of harmonized social policies, something which the Treaties do not provide for at all.

If people are given a free choice of social systems in the various Member States, there will be a very great danger of them staying in whatever country they get the best conditions in; and it is a well-known fact that Denmark at the moment offers the best conditions in a number of respects. We have therefore asked the Commission a number of questions to clarify to what extent social legislation is being brought more into line, and for the time being, we would advise rejection of the proposal in its present form.

**President.** — I call Mr Vernimmen.

**Mr Vernimmen.** — (NL) Mr President, ladies and gentlemen, allow me first of all to associate myself with the remarks made by Mrs Nielsen and other Members. It is indeed true that those Members who take an interest in social affairs — in other words, the problems facing the man-in-the-street — are regarded as second-class Members in this House and are treated as such. This is an unacceptable situation, and I hereby address a vehement protest to the Bureau and the political groups, who have clearly forgotten their electoral pledges of a year ago.

Ladies and gentlemen, I shall be very brief. I should like to say first of all that the Commission's proposal regarding unemployed persons moving within the Community is, in my opinion, a good and useful initiative, and as such meets with my approval. I believe that Mr Ghergo as rapporteur has done an excellent job of reflecting the discussions within the Committee on Social Affairs and Employment. The reason why I nonetheless asked leave to speak is because I was somewhat surprised to discover that this regulation would, if the Commission had its way, be applied equally to what we call 'frontier workers'. The fact is that the situation of people living in frontier areas is far from clear in a number of respects. I would go so far as to say that nowhere else are the shortcomings of European integration felt more keenly than in these areas.

Although I am a firmly committed supporter of social coordination and of a European approach to the problem, I am bound to say that the social provisions regarding frontier workers are in most cases the result of bilateral agreements, and I must emphasize that these agreements are usually the result of difficult and protracted negotiations. Because of this, even the slightest change may bring about a totally different social state of affairs. I believe that certain principles must be respected here. It is thus only by dint of a series of what I would call 'coincidences' that it is, for instance, possible for an unemployed frontier worker to have a higher income than someone in work in another country. I should therefore like above all to ask the Member of the Commission to proceed very cautiously in the matter of frontier workers.

A number of excellent amendments have been tabled by Mr Oehler of the Socialist Group, all of which will receive my support. In my opinion, though, a more appropriate place for them would have been in Mr Oehler's own forthcoming report on the position of frontier workers and the legislation concerning them.

As this may be our last chance to address Mr Vredeling in this House, I think our thanks are due to him for all he has done in the field of social policy and for all the sympathy and good will he has shown in listening to what we have had to say. Mr Vredeling, many thanks.

**President.** — I call Mr Vredeling

**Mr Vredeling, Vice-President of the Commission.**

— (NL) Mr President, I should like to thank the Committee on Social Affairs and Employment for giving a favourable opinion on our proposal. Everyone who has spoken here today has supported the proposal, which means there is no need for me to explain what we are hoping to achieve by it. I should just like to make a few remarks on Mr Oehler's two amendments, the first of which refers to the apportionment of the cost of unemployment benefits paid to frontier workers. The proposal contained in that amendment is to make half the amount concerned payable by the country where the person works and the other half by his country of residence. The situation at the moment, Mr President, is that the costs are borne in almost all instances by the country of residence. I should like to say to Mr Oehler that his proposal is fair enough in itself. In principle, the idea seems very attractive but — as so often in this life — the ideal solution is not always the most practical one. If you proceed as proposed, you will run into a lot of practical problems, administrative costs involving the insurance companies, and so on. Nonetheless, I should like to look into the matter in more detail. Mr Vernimmen has already made the point that Mr Oehler will shortly be submitting a general report to this House on the position of frontier workers, and I believe that that will provide a wider context in which this problem is more likely to be given the attention it deserves.

Mr Oehler's second amendment refers to the basis of computation for the payment of unemployment benefit to frontier workers, and in particular the different rates of exchange used in the computations. This is an extremely important aspect of the problem, and I can assure Mr Oehler and this House that the matter will be dealt with in the implementing provisions of Regulation No 1408. That being so, I should like to ask Mr Oehler to withdraw his amendment on the strength of my assurances.

**President.** — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

17. *Assistance from the European Social Fund for workers in the shipbuilding industry*

**President.** — The next item is the report (Doc. 1-553/80), drawn up Mr Van der Gun on behalf of the Committee on Social Affairs and Employment, on the

proposal from the Commission to the Council (Doc. 1-370/80) for a regulation on assistance from the European Social Fund to provide income support for workers in the shipbuilding industry.

I call Mr Verhaegen.

**Mr Verhaegen, deputy rapporteur.** — (NL) Mr President, I do not know whether this is really necessary, but I should like to draw the House's attention to the fact that the work we do at this late hour is being followed not only by the few Members who are still present here in the Chamber, but also by dozens of — visible and invisible — members of our staff who are being called upon to make great sacrifices for our present method of working. It is also true — as Mrs Nielsen and Mr Vernimmen said earlier — that social affairs all too often either do not get discussed at all or come up for discussion far too late in the day. I hope you will be able to make this point to those who are responsible for drawing up the agenda for our sittings.

I now have the job of giving a brief introduction to the social aspects of the problems facing the shipbuilding industry on behalf of the chairman of the Committee on Social Affairs and Employment who is also the committee's rapporteur. I am sure that, if Mr Van der Gun had been here today, he would have begun by paying tribute to Mr Vredeling. I am sure too that he would have done so in more detail and more to the point than I can and that he would have been able to pay more fitting tribute to Mr Vredeling's work.

I should like to say, though, on behalf of the Christian-Democratic Group, that we greatly appreciate everything that Mr Vredeling has done, and we hope that his successor will follow in his footsteps.

This report was approved unanimously by the Committee on Social Affairs and Employment, with two abstentions. By way of introduction, I should like to draw your attention to three points. Firstly, it is only right that we should express our appreciation of the Commission's efforts since 1974 to ensure that economic aid to the shipbuilding industry is accompanied by social measures. Secondly, the committee expressed its indignation at the fact that the Council has still not formulated a coherent, overall policy on industrial restructuring incorporating social provisions. Thirdly and finally, in the light of the experience gained in the implementation of this regulation, we should like to see the Commission investigate whether the system can be extended to other sectors in shipbuilding and in other industries.

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

**Mr Vernimmen.** — (NL) Mr President, ladies and gentlemen, as early as 1977, I think the Commission stressed the urgent need for action to be taken towards the restructuring of this sector. In its resolution of 19 September 1978, the Council called not only for national and Community support for economic restructuring, but also for measures designed to alle-

## Vernimmen

viate the social repercussions of this crisis. In other words, the Commission's proposal for the introduction of income support for workers in the shipbuilding industry is none too premature, although it must also be said that the proposed measures, making use of the European Social Fund, must be seen as being rather of an experimental nature. Reading through the proposal, it becomes clear that the number of workers affected and the amounts of money involved have been underestimated. According to reliable statistics published by the European Trade Union Confederation, the workforce in this industry will, over the next few years — and this is not the point we are talking about now — be cut by tens of thousands. This involves — and this is something I would stress — mainly unskilled and, particularly in this sector, older workers. It is therefore to be recommended that this proposal should concentrate on vocational training so as to encourage a greater degree of mobility in the sector, and that is particularly important in the steel industry. Something which disturbs me a little in this report is the fact that while applying this measure the Commission is clearly expected to ensure that the money forthcoming from the Social Fund maintains its supplementary nature, designed in particular to stimulate new projects within the Member States, and is not regarded as a simple repayment to the national exchequers of money spent on projects which would have been carried out even without financial assistance from the Community. I find, however, that most of the measures proposed here — such as early retirement pensions, tideover allowances, and so on — are virtually a carbon copy of the present Belgian legislation in the same field. Does that mean to say — and if so, is it a justifiable policy to pursue — that a Member State which has in the past demonstrated its sense of social concern despite its financial problems — and I think that there will be fewer and fewer rich countries in Europe — is in the future to be penalized for making too premature a show of its concern for certain categories of workers? That seems to me — to put it mildly — a little bit unfair, and I therefore think, Mr Vredeling, that a cautious approach should be adopted to this problem.

**President.** — I call Mrs De March to speak on behalf of the Communist and Allies Group.

**Mrs De March.** — (*F*) Mr President, the report put before us by the Commission is not merely a vehicle for social aid to shipbuilding workers. First and foremost it is a report which takes for granted the continuation of restructuring plans in the naval sector.

The first European restructuring plan prescribed a 40 % reduction in European shipbuilding capacity and the dismissal of 70 000 shipyard workers, and after this the Community established a 'scrap-and-build' plan which people here in this House are scared to discuss. The idea of that plan is to help shipowners provided that they break up twice the tonnage they

propose building, at the same time cut 50 000 jobs — 30 000 in the next two years — and that national control of policy is handed over.

This plan, I would remind you, has been devised with a view to enlarging the Community to include Greece, Spain and Portugal. The 4 500 ships in the Greek fleet, most of which sail under flags of convenience because of running and maintenance costs, is going to be the real future basis for European maritime transport. That presents an immediate and serious threat to the survival of the French shipbuilding industry. My country, France, is a maritime nation and we cannot allow our future industrial potential to be sold off in this way. We cannot allow the industrial strength of our regions to be wasted, and I cannot emphasize this too strongly.

There is nothing inevitable in this bleak future for shipbuilding. I would like to make a few points quite clear to you: the income support which the report proposes is worse than derisory, it is pathetic. It is £ 260 per worker and per job lost. That, for social engineering, is nothing to be proud of.

The idea, however, is to make further grants from the Social Fund in the future so that the same policy of dismantling industry can be pursued. Assistance will be limited to measures to encourage job cuts under the restructuring programme. Of course we will not refuse these subsidies, which are partly the outcome of the workers' struggle. But you had better note, ladies and gentlemen, that the Communist and Allies members will always be there in the areas where these battles are being fought, and will oppose this European restructuring plan which the French government is implementing in France. What is more, no one but the Communists has ever put up opposition — uncompromising opposition — to this policy. Our opposition is all the more blunt and determined because as we are already demonstrating, a completely different policy can be adopted to help France and Europe to keep their shipyards, their industrial potential and their maritime, naval and dock potential.

Our own position is that in our country we must buy French in transport — in construction, in research and in repairs. The sea is not just a dreamland — it is a source of economic and social wealth which must be preserved and developed. If international maritime industrial and commercial cooperation is to be developed, we must build ships and keep our ports active. We must renew the French merchant fleet and create jobs; in that way we will meet both social and commercial needs.

If that is what is wanted we should be building two ships for every one scrapped. That means that we must use every technological advance available, not merely with a view to increasing the return but, much more important, to reducing human hardship and reducing working hours. We French Communist members

## De March

maintain that we should have the opportunity to implement a policy which is diametrically opposed to the plan for European recession, and would include particularly nationalizing the 'Atlantic' and 'France-Dunkirk' shipyards.

For there can be no European solution to the shipbuilding crisis. The French government and the Community have a European policy which jeopardizes employment, production, the means of production even, and national independence. Let it be no surprise to you therefore if such a plan meets with the opposition of the French Communist and Allied members.

**President.** — I call Mr Taylor to speak on behalf of the European Democratic Group.

**Mr J. M. Taylor.** — Mr President, on behalf of the European Democratic Group I have been requested to speak in this debate as a member of the Parliament's Committee on Social Affairs and Employment and because I represent Northern Ireland, in which is located the United Kingdom's largest single shipyard, Messrs Harland & Wolff, which at one time employed 25 000 men but where only 7 000 men are employed today.

The decline in employment in the European shipbuilding industry has been severe in most of our Member States. Last year a further 22 000 men became redundant, and in the years 1980 and 1981 a further 30 000 shipyard redundancies are expected. This unemployment in the shipyards has been especially severe in Denmark and the United Kingdom, where between 1975 and 1979 there were reductions in employment of 40 % and 43 % respectively. The implications of redundancies are all the more alarming in areas of high unemployment such as Clydeside or Belfast, or Dundee as my colleague Mr Provan suggests. In the case of Belfast the overall unemployment rate is in the region of 15 %.

At various times Parliament, the Council and the Commission have recognized the problems of the shipbuilding industry and have expressed a desire to help. Already there is assistance from the Social Fund in connection with vocational training and mobility of labour. Likewise, certain United Kingdom shipyards will benefit in 1981 from the non-quota section of the European Regional Development Fund.

The real objective for this industry must be an integrated European approach. What we need is a coordination of all available instruments of the Community such as the European Investment Bank, loan mechanisms, the Social Fund, industrial restructuring and probably a scrap-and-build programme. In the interim, we have this temporary and experimental programme which will last only two years, assisted by 2 000 to 3 000 redundant shipyard men over 55 years of age,

and cost about 11 million EUA. From the experience gained from this programme, I hope that there can be further thought given to other sectors of high redundancy such as man-made fibres and steel.

I have two questions which I would like to direct to the Commissioner for further clarification. The first is that the proposal specifically states that it is limited to workers in civil shipyards. There are, however, a few yards within the Community which are involved in civil and naval contracts. Will the redundant workers in these mixed-category yards benefit from this proposal? Secondly, it is stated in the regulations that the maximum fund assistance is to be 4 500 EUA per person. But then in Article 1 (2), there is reference to 9 000 EUA per person. Would the Commissioner please clarify the distinction between these two figures? Is it perhaps that there is a 50 % national government participation?

Finally, Mr President, I am sorry that our chairman of the Committee on Social Affairs and Employment, Mr Van der Gun, is not present. I understand he is ill, and I wish him well. I would like to place on record our appreciation of the interest he took in this subject and the report he presented. I would also like to congratulate my colleague Miss Norvela Forster for the excellent opinion she prepared as draftsman for the Committee on Economic and Monetary Affairs. In conclusion, I would join with other colleagues in wishing Commissioner Vredeling all the best in the years ahead. We have enjoyed working with him in the Committee on Social Affairs and Employment.

**President.** — I call Mr Oehler.

**Mr Oehler.** — (*F*) Mr President, I would like if I may to return to the Ghergo report in order to say that I have taken good note of the Commissioner's undertaking and thank him for it. I am therefore withdrawing Amendment No 2 on the exchange rate.

Turning now to the Van der Gun report, Parliament has before it the Commission's proposals for compensating the loss of income of workers who leave shipbuilding at 55. This is a most laudable initiative since it guarantees the income of older workers who are retired early. For that reason I have no intention of opposing this contribution from the Community. Indeed, a large majority of the Economic and Social Committee has also since expressed approval of the Commission's proposals. At the beginning of this year, in connection with a Commission proposal on Community intervention for restructuring and reconversion investments in the shipbuilding industry, the Committee on Social Affairs and Employment has asked to see isolated Community measures implemented within the framework of an overall Community policy which they wished to see defined. The Committee added that it proposed to ensure that

**Oehler**

Community aid took the form not of isolated initiatives but of an integrated project which included job training and re-training in new industries.

Well, the Commission's most recent report on the state of the shipbuilding industry shows no sign of progress, or even action along these lines. I have even gone as far as re-reading one of the most recent major debates which this House devoted to the shipbuilding industry — it was in January 1979 — and comparing it with the Commission's most recent document, which is dated September last. It makes interesting reading: there has been no fundamental change in two years. The basic facts of the problem are in all but one respect identical. The situation has become worse, as the Commission itself says. The number of jobs lost is one of those unfortunately impressive figures, and the industry's competitiveness has not improved. Experts from both the OECD and the Commission are predicting a very gloomy future. Whilst during the first five months of this year Japan increased its share of the gross tonnage registered on the export market by 23 %, European shipbuilding production and exports continued to fall. Gross European shipbuilding output has fallen by 42 % since 1976 within the Community and by 37 % worldwide. It is the experts who must take responsibility for the figures which they have put forward but what I would like to point out is that every year one statistic or another is produced before this House testifying to the decline of European shipbuilding. When we look, though, at what has actually been done, particularly on the social front, there is not a lot to see. The Council Resolution of 1978 on improvements to the shipbuilding industry called on the public authorities to lay particular stress on the creation of new jobs to offset those being lost in the shipyards. It was suggested that they should restrict the effects which reduced activity in the industry would undoubtedly have on the workforce. And what did they do about it? How many new jobs were created in the areas which were most seriously affected? How many will be created to offset the 20 000 jobs which are going to be lost between now and the end of 1981? It is my view that since we are having this debate on experimental assistance to two or three thousand Community workers, we in this House should take this further opportunity to condemn the failure to provide adequate measures, which is a failure both of the Community and of the Member States. I would in conclusion like to express the hope that the seriousness of the crisis as described by my colleague Mr Vernimmen, in the conclusions reached by the Committee on Economic and Monetary Affairs and in this short speech, will have convinced you that the amendment which we propose including in the draft resolution by the Committee on Social Affairs and Employment is well founded and worthy of support.

**President.** — I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission.**

— (NL) Thank you, Mr President. Here again, I am pleased to say that I can be brief, in view of the wide measure of support our proposal has received in, for instance, the report drawn up by Mr Van der Gun, who is unfortunately ill this evening, and to whom I wish a speedy recovery. I have to inform you that the Council discussed this matter in November, and although our proposal has not yet been formally rejected by them, it is nonetheless politically a dead duck. The one government out of step here was the United Kingdom government. Mr President, in politics everything is relative, as evidenced by the fact that the government regarded as the most conservative in the Community — and often rightly so, in my opinion — has adopted the most progressive stance in this case. As I said, our proposal has not yet been formally rejected. The Council has invited the Commission to submit a revised proposal if appropriate.

On behalf of the Commission, I have told the Council that we shall only do so if there is any likelihood of the Council being prepared to go further in the social sphere and if some indication is given — at a higher political level if need be — of a better climate in Europe. Today I have had the dubious honour of pointing out the Council's handling of the social aspects of the steel industry. I can only say that those Members who are concerned about social policy should thank their lucky stars that they were not present to witness the sorry spectacle in the Council.

Mr President, we have not yet completely written off our proposal. That will be up to my successor, who will have to make a final decision on the matter; but at least we have presented our proposal to the Council. The matter still has to come up for formal discussion, and of course we must not make it too easy for the Council to dismiss it just like that. I am therefore very grateful to you for your support, and I would also point out that both the employers and the workers have pledged their support for our proposal.

A number of questions were raised in the course of the debate. Mr Taylor, for instance, asked why assistance was proposed for civil shipyards and not for naval yards. The point is, Mr President, that the Commission's proposal runs parallel to the existing provisions on aid to the shipbuilding industry, and these cover only civil shipyards. Of course, the provisions should not be interpreted too restrictively. The yards must be predominantly civil shipyards; I realize that many yards are of a mixed-category nature. As regards Mr Taglor's other question, I can tell you that the 9 000 EUA is the total amount and the 4 500 EUA is the 50 % the Community is prepared to contribute. To put it very simply then — the Community is stumping up half of the 9 000 EUA. I think this proposal demonstrates the fact that the Social Fund — which is, incidentally, now very well endowed — should not be restricted to the classic method of concentrating for the main on training, no matter how important an

## Vredeling

aspect that is. The Fund must be allowed to keep step with the social developments enshrined in collective labour agreements and social legislation. The Social Fund must adapt to the changed circumstances — that is the political background to our proposal. At the same time, we want to demonstrate that it is time we used the Social Fund to make progress in the direction of social security, not only as regards wage-related payments, but also as regards social security in its own right. In this respect, we have made it quite clear that, in our opinion, it is essential for specific sectoral approaches to be accompanied by social measures.

As regards the supplementary nature of the aid — something Mr Vernimmen asked about — I think all I can say is that the national authorities will be required to finance a certain basic level of aid. The system is that additional aid is, generally speaking, financed partly by Community contributions, as is the case with the Coal and Steel Community model. This is therefore a new proposal, a new departure, whereby Community aid is forthcoming under the terms of the Social Fund.

The general point regarding the extension of the Community's social policy and the part played therein by the Social Fund will have to be tackled in the context of the next procedure for reviewing the European Social Fund before the end of 1982. That will be one of the important jobs to be tackled by my successor, whose name is as yet unknown to me. Mr Verhaegen said — and I should like to thank him for his kind words — that my successor should follow in my footsteps. That would not be my advice to him in every respect.

**President.** — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

### 18. *Commercial transactions carried out with the help of the system of export refunds*

**President.** — The next item is the debate on the oral question with debate (Doc. 1-586/80) by Mrs Cassamagnago Cerretti and others to the Commission:

Subject: Commercial transactions carried out with the help of the system of export refunds

1. Various press organs have recently reported a series of commercial transactions carried out with the help of the system of export refunds.

These operations reputedly involved:

- the export of 700 000 tonnes of malt which ended up in Japan and the Soviet Union and for which export certificates were reputedly requested by a pool of companies and issued in July 1980;
- the export of 600 000 tonnes of flour, sold to Egypt and the Soviet Union (export certificate issued in September);

- the export of 530 000 tonnes of compound feedingstuffs which ended up in the Soviet Union and for which export certificates were reputedly issued on 24 October.

2. Even more amazing in the cases in question is:

- the extent of the operation
  - 700 000 tonnes of malt in a single commercial transaction compared with average annual exports of one million tonnes;
  - the transactions in compound feedingstuffs reputedly amount to 530 000 tonnes compared with average annual exports of 270 000 tonnes;
- the amount of the refunds reputedly granted for these three commercial transactions.

3. Can the Commission state:

- whether it is in a position to confirm that export certificates were requested and granted for the above-mentioned products and the quantities involved in each case?
- what refunds were paid and whether or not other corrective amounts supplemented the principal refunds granted?
- what world price level and market trends justified fixing the refunds at a particularly high level?
- what the level of refunds was for sales of the same products in the transactions that preceded and followed these operations?
- what precautions or special measures have been adopted since the first such case reported by the press?

4. Has the Commission realized that the commercial transactions for the products in question were apparently never discontinued despite the fact that for most of the time the level of refunds was much lower than that fixed for the three transactions referred to above?

5. If the press reports are true but the incidents are the result of correct application of the regulations in force, what measures has the Commission taken or is it considering to adapt or complement the relevant regulations to avoid a repetition of irregularities?

### *Justification*

Urgency is justified by the seriousness of this matter and by the widespread impact the press campaign is having in certain Member States; Parliament must also demonstrate with the utmost speed that it can exercise without delay its political control over the activities of the Commission.

I call Mr Dalsass.

**Mr Dalsass.** — (*D*) What we are talking about here is an oral question on commercial transactions carried out with the help of the system of export refunds. Over recent weeks and months, the Italian press has made great play of substantial commercial transactions carried out with the help of this system. The goods concerned are reported to have been delivered in the main to Japan and the Soviet Union.

**Dalsass**

It was evident from the articles concerned that there was something fishy about these transactions. The word fraud did not exactly appear, but there was talk of speculation on an enormous scale, which was reputedly possible because of the inadequate system of export refunds. I should like to add that these reports appeared in newspapers which, far from being anti-European, have always adopted a pro-European stance. It is precisely for that reason that they have aroused an unusual degree of public interest. Three different operations are involved. Firstly, 700 000 tonnes of malt were apparently exported, in the main to the Soviet Union. This was one single transaction, whereas the average annual exports of malt have so far been of the order of one million tonnes. In other words, what we have here is a very substantial, one-off transaction. The same country was apparently the recipient of 530 000 tonnes of feedingstuffs, compared with average annual exports hitherto of some 270 000 tonnes. Finally, 600 000 tonnes of flour were exported. As I said, all this was reported in the press.

What we are talking about here then are much larger transactions than we have seen in the past. On the basis of these press reports, I should like to ask the Commission a number of questions to ascertain whether the amounts concerned and the destinations given are in fact true. I should like to know what refunds were paid and what the level of refunds was in the transactions that preceded and followed these operations. My aim in asking the Commission these questions is to find out whether the reports are in fact true, because this whole affair has caused a certain degree of public disquiet, and I believe that it is only right and proper for this matter to be cleared up. In all probability, there will, in the near future, be others wanting to know more about this problem.

**President.** — I call Mr Vredeling.

**Mr Vredeling, Vice-President of the Commission.**

— (NL) Mr President, deputizing for my colleague Mr Gundelach, I have the following to say in reply to the oral question. The Commission categorically denies that there have been any irregularities as regards export subsidies for malt, flour and compound feedingstuffs. The export refunds for malt are closely linked to prices on the world market, and in calculating these refunds, account was taken in particular of the most recent weekly average import levy imposed by the Community on barley, bearing in mind that the export season for malt begins on 1 July. Clearly then, there will always be a considerable number of requests for export certificates for contracts concluded in the period in question or still to be concluded. The Commission has no grounds whatsoever for suspecting that the export refunds did not conform to the world market prices, not that the amount of malt for which certificates were issued in July — 700 000 tonnes — represented one single transaction for two destina-

tions. In fact, all indications are that the opposite is true. In August and September 1980, the Community exported 193 000 tonnes, of which 38 000 tonnes went to Japan and 1 000 to the Soviet Union. The Community is the world's largest exporter of malt, supplying no less than 80 different countries. This year, there was an additional reason for the considerable number of certificates applied for in July. In May and June, the Member States and the trade exerted considerable pressure on the Commission to modify and change the system of export refunds so as to increase the export costs by something like 11 million EUA per annum. The Commission decided to turn down this request; the traders realized that there was no point in trying to force the Commission to make the necessary changes, and thereupon applied for their export certificates. As regards the Members' specific question about malt, I have already referred to the 700 000 tonnes.

At the time, the world market price was rising. The provisional export programme for flour provides for the export of some 3 300 000 tonnes of wheat in the form of flour as a result of the remarkably good wheat harvest in the Community. After the normal issue of certificates at the beginning of the export season, the Commission decided on 14 August, for technical and budgetary reasons, to cut export refunds to a low level. At the end of September, the enormously bountiful harvest gave rise to substantial intervention buying, and it became known that some of our traditional export markets wanted to buy flour. At the beginning of October, therefore, the Commission restored export refunds to a practical level. The normal method of computation would have yielded rather higher export refunds than that decided on. It was only to be expected that the restoration of a practical level of export refunds would result in a substantial number of export certificates being issued, and so it was. In October, export certificates were issued for some 645 000 tonnes, and there is no reason whatsoever for suspecting that the amount of the refunds granted on the Community export price were not in harmony with the situation on the world market. As regards feedingstuffs, I can confirm that certificates for some 500 000 tonnes were issued on 24 October. Here again, the amount of the refunds was entirely in harmony with the situation on the world market. If dealers had waited a few days longer and if we had applied the normal method of computation, they would have received even higher export refunds.

Concern has been expressed as to the fact that the feedingstuffs were reputedly exported to the Soviet Union. We cannot be sure about this. The Poles too wanted feedingstuffs, and the fact is that the Commission issued neither wheat nor barley export certificates for the Soviet Union. This was because of the embargo which, as you know, was imposed at the beginning of this year because of Afghanistan. Since then, the Community has restricted its exports of cereals for feedingstuffs to the Soviet Union to well within the traditional amounts. The Commission has kept the



## Vredeling

matter under constant review, keeping a close watch on the percentages and the methods used for computing export refunds in all sectors, and we would remind you that last year, we successfully and substantially cut the amount of refunds for a wide range of agricultural products — dairy products, cereals, eggs and poultry — without harming the Community's exports.

Mr President, as regards flour, allow me just to add that the amount of export refunds would have been 78·22 EUA today if the situation today had been the same as it was then. I am sorry I cannot make any use of my colleague's notes, which is not so much his fault as mine, because I have forgotten some of the details of these complicated agricultural provisions. I hope you will forgive me.

**Mr President.** — I call Mr Dalsass.

**Mr Dalsass.** — (*D*) Mr President, I should like to begin by apologizing to Mr Vredeling for having to bother him with this matter on this day of all days, but it is after all on the agenda and therefore has to be dealt with.

It is a pity that Mr Gundelach is not here. He denies any suggestion that something may have been irregular here, but I never said there was, nor do the press reports make any such claim. What is being claimed is that the system of export refunds is being used for speculative purposes.

Under the system of export refunds, exports can be delayed for up to nine months; in other words, the transaction can be delayed until the right moment has come. I realize why this is so, but I nonetheless believe that the system should be tightened up somewhat, because this is where the inadequacies lie. I have already made the point that this system of refunds is riddled with inadequacies, and that is where, in my opinion, the pressure should be applied so as to prevent any form of speculation.

Allow me briefly to ask one further question. Does the Commission intend to improve these arrangements to ensure that no more complaints of this kind arise? After all, it is intolerable that these transactions should be open to such criticism in the press and in public. There is quite enough criticism as it is, and we should do everything possible to avoid any unnecessary criticism.

**President.** — I call Mr Hord to speak on behalf of the European Democratic Group.

**Mr Hord.** — Mr President, on behalf of the European Democratic Group, may I first of all say how grateful we are to colleagues in the Christian-Demo-

cratic Group for raising this oral question. It is most unfortunate that Mr Gundelach is not with us for what is quite clearly a very important matter, both economically and politically.

If I may say so, it seems that if the Community wanted to indulge in activities which were guaranteed to upset the electors and taxpayers of Europe, it would be the disposal of large quantities of surplus agricultural products at the taxpayer's expense. But if the Community wanted to make the electors and taxpayers angry, it would be for those subsidized goods to end up in the Soviet bloc. The unsatisfactory actions of the Commission in this respect are clearly exacerbated and aggravated by the fact that Parliament is not given appropriate information. If we were, the like of this question would not be raised now. As a member of the Committee on Budgets last year, I remember how, at the time of considering the supplementary budget, we were greatly concerned when something like 500 m EUA were involved in sales of butter and other products to Russia, where the Commission did not have budgetary cover. And after that incident, the Committee on Budgets was promised full information on the levels of sales and the intervention stocks so that the budgetary cover could be monitored by Parliament's appropriate committee. As far as I am concerned, the Committee on Budgetary Control gets precious little information, and the same applies to the Committee on Agriculture. So in the final analysis we are left to rely on rumour, gossip and press reports and then to face the cries of outrage from our electors. We are now in fact hearing reports that sales of surplus butter to Russia for this year have exceeded the traditional level of 70 000 tonnes and have now reached 98 000 tonnes, even after Afghanistan: perhaps the Commission will state the actual situation here. Furthermore, we hear that all the good Community food aid to Poland is to be handled by the French Communist millionaire baron who has been involved in so many butter deals to the Soviet Union in the past. So how do we know that this much-needed aid to Poland will not in fact turn up in the Soviet Union? But what becomes increasingly clear is that the management of export sales by the Commission leaves so much to be desired. First we had this year export refunds; then, after much unhappiness in Parliament and elsewhere, the Commission resorted to an open-tender method, and then again, without any notice it resorted to an under-the-counter export-fund operation. So I am sure you will agree, Mr President, that this is totally unsatisfactory and that the Commission really ought to bring forward much clearer information to this Institution if we are to undertake our important rôle as joint budgetary authority.

At this late hour in the life of the present Commission, I think it is appropriate to pronounce the following epitaph on the outgoing Commission's performance in the sphere of agricultural sales: we have seen more and more surpluses, at more and more cost to the taxpayer, with more and more sales to the Soviet bloc.

**Hord**

— All this at a time when consumption is going down, when recession is hitting Europe and when relations with the Soviet Union have hit a new low. The Commission's performance in this regard has quite clearly been incompetent, insensitive and totally out of sympathy with public opinion. It is, however, to be hoped that the new Commission will learn from the errors of the last few years and ensure that proper management of the agricultural sector is invoked and that Parliament can be kept fully informed on the levels of intervention stocks and sales.

Mr President, I look forward to seeing early radical changes being brought into effect in the agricultural sector. Failure to do so will, I believe, erode completely the fast-diminishing electoral support for the Community throughout all the Member States.

**President.** — I call Mr Notenboom.

**Mr Notenboom.** — *(NL)* Mr President, what we have just heard from Mr Dalsass and Mr Hord show clearly how important this matter is and how much remains to be done to prevent and rectify misapprehensions and — I fear — real problems. I can certainly assure Members that the Committee on Budgetary Control which Mr Hord referred to just now is already taking an in-depth look at export refunds, including the advance-fixing policy on butter, and that it will bear these questions and answers in mind, as well as the other products mentioned in the questions which Mr Dalsass introduced, our aim being to make sure that the new Member of the Commission responsible for agriculture does not have an easy ride as regards these products.

I am not out to make life easy for Mr Vredeling — he will still have a number of tricky questions to answer — but that is not the real reason why I am here this evening. I have turned up, Mr President, out of a deeply felt need to be here — together with others who share my sentiments — at the moment when Mr Vredeling takes his leave of the European Parliament after 23 years' connection with this House. I was not here when he became a Member of the European Parliament in 1958, but hundreds of erstwhile Members will remember Mr Vredeling as an outstanding personality, a difficult man, a veritable nuisance, an assiduous question-putter — but mainly, Mr President, as a fair and true man: fair to his friends and consistently true to his ideals, right up to the present day. Just an hour ago, he gave this House assurances on the difficult problem which we were discussing then just as if he would be carrying out the policy in January. Only later did he realize that he would no longer be performing these duties in a few weeks' time. That was typical of his conscientiousness, and I know for sure, when Mr Vredeling ceases to be a Member of the Commission in a very short time, he will remain just as true to his European ideals as he has

always been over the years, ideals which he has passed on to many others, myself included.

I have had the pleasure of having him as a fellow-member of our national parliament and, since 1971, of the European Parliament. During his spell as Minister of Defence in the Netherlands, he did not forget Europe, and for the last four years he has been a Member of the Commission. Of course, there have been plenty of occasions when we have thought: Now why did he do that? Why not do that instead? Of course, there were such times, but his consistently loyal attitude to friends and ideals always remained unimpaired, and it seemed to me essential for someone at least to pay tribute to these qualities, although there are people and friends who have known Mr Vredeling much better and for much longer than I.

Mr President, over the last year of his term of office, Mr Vredeling has had to battle away in an area — social affairs — where integration has not yet reached the stage where significant results could be expected immediately. Despite this, he has fought to give European politics a social dimension, and in a number of respects he has been successful. One example which is of particular interest to me because of the area I come from is the important proposal on income tax levied on frontier workers. On this and many other points, Mr Vredeling has started the ball rolling and achieved results in EEC social policy. Unfortunately, no results have so far been achieved in the field of ECSC social policy. I know for sure, Henk — if I may be allowed to call you by your christian name — that there are many people who will persevere with the task of giving the ECSC a social face, and some of them are here this evening. May you take on your way as a parting gift the promise that, if you yourself can no longer do so in the very near future — at least not in your present position — others will fight the good fight to give Europe a more social face, because we know that this has always been the most important of your ideals.

Mr President, ladies and gentlemen, I should also like to thank the interpreters very much for giving me the chance in this last hour to address these words of friendship and farewell to Mr Vredeling on behalf of myself and many others.

*(Applause)*

**President.** — I call Mr Provan.

**Mr Provan.** — I come from a part of the Community — Scotland — that produces a lot of the malt referred to in this resolution. I do not wish to discuss other aspects of the resolution but refer purely to malt.

To put the record straight, it is necessary to point out that the Community is currently in surplus in barley to the tune of roughly 4½ million tonnes per annum.

## Provan

This, of course, is available for export to third countries at the going world price. These surpluses of barley are increasing each year and now account for approximately 10 % of EEC production.

Malt is a product processed from barley, and it takes approximately 1.33 tonnes of barley to produce 1 tonne of malt. Moreover, just as export refunds are required for barley when it is sold to third countries, so it is necessary to have export refunds for malt. That is how we arrive at the coefficient of 1.33 for refunds on malt exports to third countries. Because malt is bought on one-year contracts, export refunds are normally granted with a validity of one year. This is the important point. In contrast, of course, barley export refunds are limited to three months, but because the malt cycle is very much longer, malt contracts have to cover that period of time.

Now the world price of barley has risen since early last summer. This has resulted in a decrease in the difference between the EEC price and the world price. Similarly, malt export refunds have fallen in value since the beginning of the harvest campaign, but as most of the world's malt is traded in July, August and September, most of the export refunds are booked in this period. Some 700 000 tonnes, as quoted in the question, were booked in July, but these were booked in many different malting companies throughout the Community, and represent sales made to destinations throughout the world. The export licences taken out in July for 700 000 tonnes of malt were therefore not special arrangements made for sales solely to the USSR and Japan, but represented a normal distribution from a regular 1.2 million tonnes of malt exported from the Community.

Indeed I believe that these sales to the USSR were not made until November. Now it is important that we get this into the regular cycle of what we are talking about. When malt export refunds are fixed for a whole year, it is very easy to see that price changes in the world market can affect it.

EEC maltsters are currently unhappy about the attitude of the EEC Commission to their industry and have made constant representations to that effect, asking for a more flexible approach to be adopted at the time of granting refunds. This year very serious delays occurred up to July, when the first refunds were bookable. This meant that overseas malt buyers were unable to buy EEC malt before July, which gave our main competitors in the world market an unfavourable advantage over us. Australia and Canada have taken advantage of this opportunity and made extensive use of it. This caused losses in sales to the Community and a continuation of the trend whereby EEC maltsters have lost market shares throughout the world over the last three years. It is attributed purley and entirely to the inflexibility of the Commission. It is extraordinary if you look at the Australians, who have increased their share of the market by over 63 % in the last year alone.

It must be logical and indeed preferable for EEC barley to be exported as malt rather than feeding barley into the world market for three basic reasons. In the first place, EEC farmers benefit from the malting premiums, the increase in the market value of their barley. Secondly, the added value incurred in processing that barley into malt represents employment and additional foreign exchange to the Member States. Thirdly, export markets for malt are more secure and less open to variations than markets for feeding barley. For these three reasons, we must respect a trade that is developing and help the whole of the common agricultural policy as a result. When the whole gambit of refunds are looked at, I hope that the Commission will bear this in mind. We must appreciate the need for a healthy and expanding export industry if we are going to do anything for the future of the common agricultural policy.

It is important, I think, to distinguish also between structural problems of the CAP, i.e. high cereal prices, and the specific cost of that policy. The export of cereals will increasingly appear as an expensive item in EEC budgets and accounts. The reason for this is not the villainy and greed of the malting industry but supply and squeezing demand. The surpluses are thus only available for export and must be reduced from the high EEC price to the lower world price by export refunds so that we can be competitive in that world market until the EEC cereal price comes nearer the world price.

I hope, Mr President, that I have been able, from the producer's angle, to throw some light on a matter that appears to have been causing some concern in the international press. But let me say quite clearly at this stage that I have no knowledge of, and therefore have not gone into, the reasons why there should be any problem with regard to feeding-stuffs or flour.

**President.** — Before I close today's sitting, I should like to express my sincere thanks to Mr Vredeling who, as a former Member of this House, was always close to Parliament. On behalf of Parliament and the Bureau I feel I can say that your commitment to Europe and your firm social commitment earned you the respect, the esteem, and especially the warm regard of this Parliament.

Thank you, Mr Vredeling.

*(Applause)*

**Mr Vredeling, Vice-President of the Commission.** — *(NL)* This is quite unexpected, Mr President. I merely did the best I could, and not always with success I would have wished. There is really nothing more I can say about the last four years. But I do thank you for your kind words, and especially Mr Notenboom, who knows me so well and still said what he did. I thank you very much, Mr President, and wish you all well until we meet again.

19. *Agenda for next sitting*

**President.** — The next sitting will be held at 9 a.m. and 2 p.m. tomorrow, Friday, 19 December 1980, with the following agenda:

- procedure without report
- vote on a request for urgent debate
- motion for a resolution on development and training in farming and rural life
- motion for a resolution on the crisis in farming incomes in Ireland
- motion for a resolution on the meeting place of Parliament
- joint debate on the Kirk, Quin and Lynge reports on fisheries
- Gallagher report on peat (without debate)

- Louwes report on beef and veal and buffalo meat (without debate)
- Beumer report on manufactured tobacco (without debate)
- Giummarra report on olive oil
- Cottrell report on transport between Greece and the Community
- 9 a.m.: vote on a request for urgent debate
- 10 30 a.m.: vote on motions for resolutions on which the debate has closed
- after 10.30 a.m.: texts will be put to the vote at the end of each debate.

The sitting is closed.

*(The sitting was closed at 12.30 a.m.)*

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*ANNEX*

*Opinion of the Committee on Budgets on the amendments*

Favourable: 85, 83, 84, 86, 71, 27/corr., 48, 29, 21, 22, 69, 70.

Unfavourable: 125, 55, 81, 56, 80, 30, 64, 40, 41, 115, 68, 66, 65, 43, 44, 45, 46, 60 rev., 61/rev., 62/rev., 47, 114, 28, 72, 57, 116, 117, 78, 118, 31, 79, 32, 77, 33, 34, 35/corr., 36, 37/corr., 38/corr., 39/corr., 73/rev., 74, 75, 120, 76, 121, 122, 124, 123, 119, 126, 2, 51, 3, 50, 4, 5, 49, 6, 7, 9, 10, 11, 14, 54, 13, 15, 16, 17, 18, 19, 20, 23, 24, 25, 53.

## SITTING OF FRIDAY, 19 DECEMBER 1980

## Contents

1. Approval of the minutes . . . . .	270		
2. Documents received . . . . .	270		
3. Membership of Parliament . . . . .	270		
4. Membership of committees . . . . .	270		
5. Petitions . . . . .	270		
6. Transfer of appropriations . . . . .	270		
7. Procedure without report . . . . .	270		
8. Decision on urgent procedure: Mr de la Malène; Mr Calvez . . . . .	270		
9. Development and training in farming and rural life — Motion for a resolution by Sir Henry Plumb and others (Doc. 1-687/80): Mr Provan . . . . .	271		
10. Crisis in farming incomes in Ireland — Motion for a resolution by Mr Davern and others (EPD) and Mr Clinton and others (Doc. 1-730/80/rev.): Mr Davern, author of the motion . . . . . Mr Kavanagh; Mr Clinton; Mr Provan; Mr Maher; Mr Lalor; Mr McCartin; Mr de Courcy Ling; Mr O'Donnell; Mr Natali (Commission) . . . . .	272		
11. Meeting-place of the Parliament — Motion for a resolution by Mr Enright and others (Doc. 1-749/80): Mr Enright, author of the motion . . . . . Mr Abens; Mr Hord; Mrs von Alemann; Mr Coppieters; Mr Estgen; Mr von der Vring; Mr Bangemann; Mr Collins; Mr Arndt . . . . . Procedural motion: Mr Hord . . . . .	277		
12. Reduction in frontier-points in Italy for the customs clearance of steel products — Motion for a resolution by Mr de la Malène and others (EPD) (Doc. 1-759/80): Mr Remilly; Mr Natali (Commission) . . . . .	281		
13. Membership of the Court of Auditors . . . . .	282		
14. Votes . . . . .	282		
• Hoff report (Doc. 1-704/80): Rate of ECSC levies for 1981: Adoption of the resolution . . . . .	282		
• Taylor report (Doc. 1-707/80): Commu- nity loans to support Member States' balances of payments: Adoption of the resolution . . . . .	282		
• Filippi report (Doc. 1-683/80): Pre-acces- sion aid for Portugal: Mr Filippi, rapporteur . . . . . Adoption of the resolution . . . . .	284		
• Newton Dunn report (Doc. 1-675/80): Protection of workers from exposure to lead: Mr Newton Dunn, rapporteur . . . . . Explanations of vote: Mrs Gredal; Mrs Weber . . . . . Adoption of the resolution . . . . .	284		
Mrs Scrivener; Mr Sherlock; Mrs Maij- Weggen; Mrs Roudy; Mr Collins; Mrs Squarcialupi; Mr Newton Dunn; Mrs Schleicher . . . . .	285		
• Ghergo report (Doc. 1-552/80): Applica- tion of social security schemes to employed workers: Mr Ghergo, rapporteur . . . . . Adoption of the resolution . . . . .	287		
• Van der Gun report (Doc. 1-553/80): Income support for shipbuilding workers: Mr Verhaegen, deputy rapporteur . . . . . Adoption of the resolution . . . . .	287		

• <i>Plumb et al.</i> motion for a resolution (Doc. 1-687/80): Training in farming and rural life:		<i>Consideration of the motion for a resolution contained in Doc. 1-658/80:</i>	
Explanation of vote: Mr Bocklet . . . . .	288	<i>Miss Quin</i> . . . . .	305
<i>Procedural motion: Mr Arndt</i> . . . . .	288	<i>Adoption of the resolution</i> . . . . .	305
<i>Explanation of vote: Mr Maher</i> . . . . .	288	<i>Adoption of the resolution contained in Doc. 1-665/80</i>	
<i>Adoption of the resolution</i> . . . . .	289	<i>Adoption of the resolution contained in Doc. 1-690/80</i> . . . . .	305
• <i>Davern et al.</i> motion for a resolution (Doc. 1-730/80/rev.): Crisis in farming incomes in Ireland:		16. <i>Membership of the political groups</i> . . . . .	305
Explanations of vote: Mr Provan; Mr Nielsen; Mr Gautier . . . . .	289	17. <i>Peat — Report by Mr Gallagher (Committee on Energy and Research) (Doc. 1-572/80)</i> . . . . .	305
<i>Adoption of the resolution</i> . . . . .	289	<i>Adoption of the resolution</i> . . . . .	305
• <i>Enright et al.</i> motion for a resolution (Doc. 1-749/80): Meeting-place of Parliament:		18. <i>Community tariff quotas for beef and veal and buffalo-meat — Report by Mr Louwes (Committee on External Economic Relations) (Doc. 1-689/80)</i> . . . . .	306
<i>Procedural motion: Mr Alber</i> . . . . .	290	<i>Adoption of the resolution</i> . . . . .	306
• <i>De la Malène et al.</i> motion for a resolution (Doc. 1-759/80): Frontier-points in Italy for the customs clearance of steel products:		19. <i>Consumption of manufactured tobacco — Report by Mr Beumer (Committee on Economic and Monetary Affairs) (Doc. 1-667/80)</i> . . . . .	306
Explanation of vote: Mrs Gaiotti de Biase . . . . .	290	<i>Adoption of the resolution</i> . . . . .	306
<i>Adoption of the resolution</i> . . . . .	290	20. <i>Olive oil and agricultural products — Report by Mr Giummarra (Committee on External Economic Relations) (Doc. 1-694/80):</i>	
15. <i>Fisheries policy — Joint debate of reports by Mr Kirk (Committee on Agriculture) (Doc. 1-679/80), Miss Quin (Committee on Agriculture) (Docs. 1-658/80 and 1-665/80) and Mr Lynge (Committee on Agriculture) (Doc. 1-690/80):</i>		<i>Mr Filippi, deputy rapporteur</i> . . . . .	306
<i>Mr Kirk, rapporteur; Miss Quin, rapporteur; Mr Battersby, deputy rapporteur</i> . . . . .	291	<i>Adoption of the resolution</i> . . . . .	306
<i>Mr Josselin; Mr Clinton; Mr Harris; Mrs Le Roux; Mr Nielsen; Mr Remilly; Mr Skovmand; Mr Kavanagh; Mr Nyborg; Mr Gautier; Mr Kirk; Mr Gundelach (Commission)</i> . . . . .	293	21. <i>Relations with Greece in the field of transport — Report by Mr Cottrell (Committee on Transport) (Doc. 1-684/80):</i>	
<i>Consideration of the motion for a resolution contained in Doc. 1-679/80.</i>		<i>Mr Cottrell, rapporteur</i> . . . . .	306
<i>Mr Kirk</i> . . . . .	301	<i>Mr Albers (S); Mr Moreland (ED); Mr Gundelach (Commission)</i> . . . . .	307
<i>Procedural motions: Mr Provan; Mr Rogers</i>		<i>Consideration of the motion for a resolution:</i>	
<i>Explanations of vote; Mr Josselin; Mr Kirk</i>		<i>Mr Cottrell</i> . . . . .	309
<i>Adoption of the resolution</i> . . . . .	304	<i>Adoption of the resolution</i> . . . . .	309
		22. <i>Dates of the next part-session</i> . . . . .	309
		23. <i>Approval of the minutes:</i>	
		<i>Mr Van Minnen</i> . . . . .	310
		24. <i>Adjournment of the session</i> . . . . .	310

IN THE CHAIR: MR ROGERS

5. *Petitions*

*Vice-President*

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

**President.** — The sitting is open.

1. *Approval of the minutes*

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

Are there any comments?

The minutes are approved.

2. *Documents received*

**President.** — I received various documents, a list of which you will find in the minutes of proceedings.

3. *Membership of Parliament*

**President.** — I have received from the President of the Chamber of Deputies of the Hellenic Republic the names of 24 Greek Members who will take their seats in the European Parliament on 1 January 1981.<sup>1</sup>

4. *Membership of committees*

**President.** — I have received from the Liberal and Democratic Group a request for the appointment of Mrs Pruvot to the Committee on the Environment, Public Health and Consumer Protection to replace Mr Hamilius and of Mr Mart to the Committee on Budgetary Control to replace to Mr Hamilius.

Are there any objections?

These appointments are ratified.

6. *Transfer of appropriations*

**President.** — Various decisions concerning petitions are set out in the minutes of proceedings.

**President.** — The Committee on Budgets has approved proposals Nos 17/80 and 24/80 for transfers of appropriations.

7. *Procedure without report*

**President.** — On Monday, I announced the titles of those Commission proposals to which it was proposed to apply the *procedure without report* laid down in Rule 27A of the Rules of Procedure.

Since no Member has asked leave to speak and no amendments have been tabled to them, I declare these proposals approved by the European Parliament.

8. *Decision on urgent procedure*

**President.** — The next item is the request for urgent debate on the *motion for a resolution by Mr de la Malène and others, on behalf of the Group of European Progressive Democrats, on the drastic reduction in the number of frontier points in Italy assigned to the customs clearance of steel products (Doc. 1-759/80).*

I call Mr de la Malène.

**Mr de la Malène.** — (*F*) Mr President, ladies and gentlemen, on 12 November the Italian Government decided to reduce the number of frontier posts where imported steel products can be cleared through customs from 31 to 19. The reason given is the need for more effective control over imports from third countries. If that is the only purpose, all well and good. In actual fact, the points that have been closed are places where products are brought in solely from ECSC countries, and France in particular, so that, instead of improving its operation, this measure closes the steel market. Just as an example, we have 400 customs clearance points in France; Italy now has only 12.

**President.** — I call Mr Calvez.

<sup>1</sup> See the minutes of proceedings of this sitting.



**Mr Calvez.** — (F) Mr President, ladies and gentlemen, I would support the request made by Mr de la Malène. The measure taken by the Italian customs to improve their control over steel imports from third countries affects, in actual fact, many points through which steel coming solely from other Community countries used to pass. In my opinion, this is a question of administrative protectionism which is a threat to one of the basic principles of the ECSC Treaty, namely the freedom of movement of steel products within the Community, and on that account I really feel that this is a matter of urgency.

*(Parliament then decided, by sitting and standing, in favour of urgent procedure)*

#### 9. *Development and training in farming and rural life*

**President.** — The next item is the *motion for a resolution by Sir Henry Plumb and others on support for development and training in farming and rural life (Doc. 1-687/80).*

I call Mr Provan.

**Mr Provan.** — There are apologies from Sir Henry Plumb, who has had to return home.

**President.** — I note that no one wishes to speak.

The motion for a resolution will be put to the vote at the next voting time.

#### 10. *Crisis in farming incomes in Ireland*

**President.** — The next item is the *motion for a resolution by Mr Davern and others on behalf of the Group of European Progressive Democrats, and Mr Clinton and others, on the crisis in farming incomes in Ireland (Doc. 1-730/80/rev.).*

I call Mr Davern.

**Mr Davern.** — Mr President, first of all I wish to thank those who voted for urgent procedure on this issue yesterday. Those who did not will, I hope, consider voting for it by the time they have heard exactly what the position is.

As indicated here by the various figures and references we put down in our amendment, over 50 % of our farmers earn less than £ 40 per week. This puts them way below many social-welfare recipients and way below the lowest incomes provided by any other

Member State. These people, who work a seven-day week and 14 to 15 hours a day, are expected to live on £ 40 per week.

There are many Members of this House who could not live for the first half of the night on £ 40. I would ask them to consider that this is a small amount when compared with the huge incomes in other sectors, which have more political muscle and more political clout. If a farmer goes on strike, it is only himself who is affected and nobody else.

These figures are staggering. It is difficult to accept that any farmer could have this level of income, yet according to estimates it is the level produced by over 125 000 holdings in our country. The vast majority of these farmers live in the western counties and the three Ulster counties in the Republic, and also indeed in the six counties of Northern Ireland.

It is important that we also consider the position in Northern Ireland. There are people in this House who mouth pious platitudes as to what they would like to do for peace in Northern Ireland and make various other promises. They can do something more practical now for people in the rural areas, who live in the greatest danger and isolation, by asking the Commission to consider urgently the crisis in Northern Ireland as well as in the Republic of Ireland.

It serves no purpose to pretend that there is not a crisis in Irish agriculture. I appreciate, of course, that there is a crisis in Community agriculture in general, with incomes down by 10 %. Our drop in real terms is between 25 and 50 %. I appreciate as well that we have separate problems, that our inflation rate is far higher and that our banks charge far more interest. I notice that Mr Provan has an amendment down today mentioning bankruptcy, and in that connection, while it is not the business of this Parliament, one might mention the way in which the Irish banks are putting pressure on farmers who cannot meet their payments. Those banks shared the better times with farmers. I think they now have a responsibility to share the bad times as well and to stop wielding the big stick and asking people to sell their land, because it is not just a question of selling an asset, it is selling a way of life for many of these people.

Inflation in my country, as I have said, is nearer to 20 %, so the effects of the 10 % increase expected this year will be negligible. As an island, we have more energy problems than any other part of the Community, being a peripheral area. The whole island is affected far more by the need to import oil for farming, which, of course, is part of modern technology, and an essential part, though indeed many of the people we are speaking about here today unfortunately cannot afford to have tractors or many other such luxuries.

**Davern**

Farm output in the Community generally is expected to rise by about 10 % on average, but in our area it will be down by 5 %. Our total milk production is not equal to the increase alone in countries such as Germany and France. We don't have that volume of production or type of production. I am asking that this Parliament consider the special case for the two parts of our country. After all, our farming community has a special position in that it does not contribute to surpluses of any kind.

Coming to the amendments by Mr Provan, Mr Purvis and Mr Kirk, I would ask them to reconsider their amendments here this morning. Ours is specifically about an island and affects two countries. Yours is a more general, broader one and I agree with it. Unfortunately, owing to pressure of work and the general chaos in the House yesterday, I was unable to table an amendment I had drafted to the resolution seeking to insert a further indent that would read

to request further that the Commission adequately meet without delay the urgent needs of the farming sector in all other areas of the Community, especially Scotland and certain parts of Denmark.

These are but two of the most seriously affected areas where the present crisis situation in regard to farmers' incomes is highly distressing.

I accept that there are serious problems in Scotland. I accept that there are serious problems in certain parts of Denmark, but this is a single resolution in favour of our own island and involving, as I say, the two parts of our island.

I would ask the movers of these amendments to reconsider them, and if they need support at a future date we will certainly be willing to lend our voice and our votes to their problems. Many countries have problems in this regard, but I think our case is exceptional because our figures are far worse. In times when people all over Europe are talking about keeping up with inflation, for the last two years we have fallen behind, as I said, by over 50 % in many cases. If we include that indent — and I apologize for not having it ready in time last night for the deadline — I would ask Mr Provan, Mr Purvis and Mr Kirk to consider withdrawing their amendments, which would weaken our special case.

This is the first time you will have ever seen all of the Irish Members united across the political divide because of the seriousness of our position. Not only do we unite politically, but indeed our friends on the other side of that political divide in our country are agreeing in the same fashion, because we have the same peripheral problems.

Mr President, I thank you for giving me so much time and I thank Parliament for giving Ireland special consideration. I hope that the movers of the amend-

ments can see my point of view. We will certainly look at their case and help them in any way we can in the future, but just now ours is a special, unique case.

**President.** — I call Mr Kavanagh.

**Mr Kavanagh.** — Mr President, I intend to spend one minute on the subject, not because it is not serious but because I also have some other items to deal with later on and I have been given five minutes for the morning. I want to agree with everything that has been said by the previous speaker, because at least 22 % of the population of Ireland are directly employed in agriculture. Agriculturally-based industries account for almost a further 30 % of employment in Ireland, so that what has happened in Irish agriculture over the last two years after the very good years of 1975 and 1976 has been very serious indeed.

I do not intend to repeat what is already in the resolution. I only want the Members present here this morning to read this resolution and I wish to assure them that the figures in that resolution are accurate and that the situation now being faced by farmers and people allied to the farming industry is very serious indeed. I would ask everybody in this House to support the motion as put forward and perhaps not to bring in any extraneous items from other areas. We shall have time later, as the previous speaker said, to discuss the whole global agricultural situation, but this is a very exceptional area in that agriculture is going through a much more severe and difficult time than any other sector. I would ask my colleagues in the Socialist Group and the House as a whole to support this motion for a resolution.

**President.** — I call Mr Clinton.

**Mr Clinton.** — Mr President, I too would like to thank the Members of the House for supporting the request for urgent debate on this item. Why have we had recourse to the urgent procedure for this motion, knowing that this method curtails discussion to a time so limited that it is quite impossible to give a full description of a very serious position? The answer is that the situation is so bad and deteriorating so rapidly that if substantial measures are not taken now, endless hardships will be caused and the cost of a delayed solution will be very much greater.

Farmers' incomes in Ireland have gone down by approximately 50 % in 2 years, and unless something of a rescue operation is mounted quickly the prospects for 1981 are even more bleak. I know it is very difficult for colleagues to understand fully how a crash of such dimensions could take place in this short space of two years. I quite understand this. The sad fact of the matter is, however, that it has taken place and the

**Clinton**

question may fairly be asked what went wrong. To explain this one must give a little background.

As you know, we joined the Community eight years ago, and from then on with the impetus of improved prices and better market outlets agricultural development started to get underway. With the exception of 1974, when there was a glut of cattle in Europe and in the world generally, Irish farmers improved their position until about the end of 1978. Then a number of things happened. We joined the EMS; there were no further green-pound adjustments; inflation and bank interest-rates soared to 20%; input costs rocketed. On top of all this, our own Government introduced a stupid 2% tax on sales of agricultural produce, increased rates on agricultural land, taxed farmers for an accelerated disease-eradication scheme and removed subsidies on lime and fertilizer. The combination of all these things has put Irish agriculture into a state of bankruptcy. That is where the matter stands right now.

The Members of this House frequently speak in favour of convergence, and if our standards are to be aligned with those in Europe generally, Irish agriculture must receive special assistance. Nearly 50% of our people depend for a living on agriculture, either by working on the land or by being employed in processing and distributing agricultural products. What can be done?

Farmers are selling breeding-stock to pay debts, and the only way to get stock numbers up again is to give a calf-subsidy similar to that given to the Italians. Money must be subsidized to reduce the interest-rate for development purposes to 10% in the case of money already borrowed and for the necessary credit, for about five years. A substantial price-increase in 1981 and a derogation from all levies must also be forthcoming. Because we are a livestock-producing country: beef-cattle, milk and milk products account for 70% of total agricultural production. Our production lines, as you know, are dictated by Irish weather conditions. Of all our farms, 65% have 20 hectares or less. Of our total exports, 40% are agricultural exports, and these exports take care of 50% of our balance of payments.

This very inadequate description of our position may help Members to consider their attitude to this motion, and I hope, for the sake of Irish farmers and for the sake of our economy generally, that the House will support the motion for a resolution.

**President.** — I call Mr Provan.

**Mr Provan.** — Mr President, let no one doubt that I realize the seriousness of the agricultural situation, not only in Ireland but in many other parts of the Community; but I appeal to Parliament, Mr President, not to take one part of the Community and look at it in isola-

tion. As Mr Clinton has just said, many people in this Parliament are interested in trying to come to some form of convergence; and if we start treating certain sectors of the Community in isolation and making them special cases, we shall be getting away from the general principles that we believe in. I say this advisedly: I can point to other parts of the Community that have higher rates of inflation. I can point to other parts of the Community that have higher rates for bank interest; and I can point to other parts of the Community that have had just as bad a season as they have had in the part of Ireland referred to in this motion.

I deplore such attempts to get around the circumstances we face because we shall be having the price-review in the next month or two. I hope that the Commission will take this into account. We must recall, and I think this Parliament must take great heed of, the report that Mr Giolitti has put before the Commission on the state of the common agricultural policy when he looks at it from the regional point of view. He states quite clearly that when we look at the central part of the Community and the good areas to operate agriculture in, those areas have developed and succeeded very much better than peripheral areas such as Ireland, Denmark and the area that I represent in the United Kingdom. I appeal to Parliament therefore, Mr President, to try and get some form of unity into this Common Market and not to be divisive, so that we can go forward together and look after the total interest and not sectoral interests.

**President.** — I call Mr Maher.

**Mr Maher.** — Mr President, I think there is one aspect that distinguishes this problem from other similar problems that exist within the Community. It is, I think, the chief reason why this subject is on the floor of the House this morning, and that is that Ireland is still the poorest country in the European Community. That is something we do not like to boast about. We would prefer that that was not the case. Unfortunately it is the case.

I have heard my British friends, particularly the Conservatives, for whom Mr Provan has just spoken, when they were pleading their case to have payments made from the European Community back to the British Exchequer, stating that they were the third poorest country in the European Community — the *third* poorest. They made a special case on that basis. I am sure Mr Provan's memory is long enough to enable him to remember. He pleaded that the United Kingdom was the third poorest country and had therefore to get special treatment over and above any other country within the European Community. Yet Mr Provan now says that in the case of Ireland, the argument from poverty does not apply. He states that we destroy the unity of the European Community. I

**Maher**

agree with that sentiment, but Mr Provan ought at least to be consistent. Why did he not invoke that sentiment when the British were looking for special terms? We have got to be consistent.

We are continually contradicting ourselves in the statements made in this House. We recognized at the time that Britain had a special problem, that they were in considerable difficulty, and this Parliament agreed finally that notice should be taken of their problems. And notice was taken. And they did very well! Fair dues to them; they did very well in getting back their thousand million or whatever it was. Now in this particular case, Mr President, it has to be emphasized that in the case of our country agriculture is still the major economic activity.

That is another fact of life. Almost 50 % of the total labour force is directly or indirectly engaged in agriculture, and on top of that you have the towns and villages scattered throughout the country that depend on the agricultural hinterland. In fact, if you were to remove agriculture from the Irish economy there would be an absolute and total collapse. That cannot be said of any other country in the European Community. Of course agriculture is vitally important to Denmark and important to France and other countries, but it does not have the same importance as in Ireland. That is why we are making a special case.

Of course we have to accept that part of the problem is that our own government has failed to control inflation. It is running at present at 18.9 %. This poses serious difficulties for agriculture in our country, because 75 % of everything we produce is exported. In fact, probably 70 % of these products are controlled by common prices fixed in accordance with an inflation rate of about 9 %. There is no way Irish farmers can keep pace with inflation.

How are we going to have a real common agricultural policy, with common interest-rates and common inflation-rates applying in the various countries of the European Community? It is nonsense to talk about a common agricultural policy if we do not have common interest-rates, common inflation-rates and so on.

We also have 11 % unemployment at the moment, and if agricultural production keeps on decreasing — the figure of 5 % has been mentioned, with a 50 % decrease in incomes over 2 years — inevitably there are going to be more people unemployed, more people looking for jobs in the towns and cities where there are no longer any jobs. So these people have to be supported by social security. It is surely not in the interests of the European Community that we should become more and more of a lame duck. If we are not going to get some assistance to reverse the trend in agriculture, to get back into a productive cycle, then inevitably we are going to be looking for more

regional and social aid, to try and support the people who have become unemployed as a result of the depression in agriculture.

We do not want to come with our hands out year after year looking for alms; we want to be given an opportunity to develop what is our main occupation — agriculture — so that we can come and sell products and make a gain on the market.

Mr President, I do not like making this kind of appeal, but I beg this Parliament at least to listen to our problem and see to what extent it can help to cure the sickness in the Irish economy.

A stitch in time saves nine, they say. If we can be given help now, we are going to be in a better position later on. I can assure you that Irish farmers are not afraid to work; they work an average of 12 hours per day. They are not afraid to work if they are given the opportunity of a fair deal and if they can sell their products at a reasonable price leaving them a reasonable margin of profit.

*(Applause)*

**President.** — I call Mr Lalor.

**Mr Lalor.** — Mr President, I wish to protest at the conduct of Mr Provan today in asking us not to try and divide this House, asking us not to make a special case of Ireland — he who is here on the coat-tails of Prime Minister Maggie Thatcher, who trailed across Europe 12 months ago and less than 12 months ago argued a special case for unfortunate Britain. I am shattered to hear his attitude this morning and I appeal to this House to support a special case for Ireland — a special case that is clearly established.

He has had the audacity to stand up and say he could name places in the European Community where there is a higher rate of inflation. Where? He said that there were higher bank-rates in other places in the EEC that he could name. Where? Where in Europe is the situation as shocking as in Ireland, and particularly in the Six Counties? He wants all of us to be starving — witness the way he protested yesterday and voted against urgent debate on the hunger strike in Ireland. I think it is shocking that Mr Provan should take this attitude without even saying a word about Scotland, which we are willing to include.

**President.** — I call Mr McCartin.

**Mr McCartin.** — Mr President, it is not with any pride and it is not with any apology that I stand up to state that the situation of Irish agriculture and the Irish economy is very serious at the present time. I reject the

## McCartin

theory put forward by Mr Provan and recall that only a year ago somebody speaking from the very same benches — I think it was Mr Curry — stated clearly that a common agricultural policy that was designed to have effect throughout the European Economic Community could not be successful. He pointed out that the British Midlands farmer, with 100 hectares of land and milking 100 cows, could not be in the same position arising out of the same policy as a farmer in the North of Scotland or the West of Ireland or the South of Italy. I think that very argument disproves the case that has been put forward by Mr Provan when he says that the resolution being introduced here today is divisive or contrary to the spirit of the European Economic Community. If there is any spirit that has been typical of the European Economic Community since it started, it is the manner in which the Community was always prepared to rally to special problems, special circumstances in individual cases, countries or regions of this Community. What we are asking today is that this Community, true to its record of concern, will just take note of the special circumstances that we have in Ireland. I think all of us will recognize that a combination of history and geography has led to the situation in which we find ourselves today. If a similar combination of circumstances, let it be an industrial or a rural problem, arises in any other part of this Community, the Irish representatives will contribute their share and make their contribution towards a solution of that problem.

The situation has been well documented in figures. We all of us understand that a reduction of 50 % in farm incomes in two years is disastrous. Ireland has not enjoyed the benefits of the common agricultural policy over the same period as have the original members of the Community. Ireland joined the Community when its agriculture and indeed its whole economy was in a very depressed state. After two or three years of rapid agricultural expansion and, indeed, after experiencing in our industrial sector the highest growth-rate of all of the European Economic Community over most of that period, nevertheless we find the morale of Irish agriculture is flagging. Production, in terms both of volume and of value, has fallen by about 5 % over the past year, and we cannot expect anything better next year. In every important sector engaged in by Irish farmers, we find this drop in prices — I do not want to go into the figures — and in volume of production. As a result, we have overcapacity in our food-processing industry; heavy debts and high interest-rates are combining to impose on Irish farmers lower prices than they could normally expect, even taking into consideration the prices agreed in the Community. And while price-increases agreed in this Community last year were on the average 3 to 4 %, Irish farmers actually had to accept a drop in farmgate prices of 3 to 4 %, arising out of the unfortunate combination of the depression in the food industry and that in agriculture itself. This problem will in the end affect our balance of payments, our employment situation and, indeed, the entire Irish economy.

I freely admit that the solution to this problem cannot be found in increased prices alone. The structures of Irish agriculture have to be improved; we have to speed up the mobility of land; we have undertaken a massive project for the education of rural Ireland and farmers (it is regrettable that the Plumb motion has not been debated this morning, because it is more relevant to Ireland than to any other part of the Community); and we have to improve the efficiency of the individual labour-unit employed in Irish agriculture, for while it is quite true, as Mr Maher said, that we work longer hours than in industry and possibly longer hours than the farmers in any other part of this Community, nevertheless our productivity is lower than almost anywhere else in the Community. We admit that freely. We cannot solve these problems without the assistance of the Community, of which we are part. We would ask the Community to take these problems into consideration at price-fixing time. We would ask the Community to pay special attention to aids for the development of Irish agriculture and to the unsuitability of the present package for the special conditions which we have in our country.

I would suggest that the resolution we put forward here this morning is not divisive by any means: it seeks, in fact, to bring about the economic convergence within this Community which all of us in this Parliament advocate and expect the Commission and the Council to work towards. Without some special measures for improving the situation in Irish agriculture we cannot have this convergence, we cannot have common policies and we cannot have a Community in Europe in which all our people have an equal opportunity to develop their skills and talents and make their contribution towards the future of Europe and the improvement of conditions throughout the world.

*(Applause)*

**President.** — This is one debate which I might well have been able to preside over without putting on this quite horrible life-support system. I really would have liked to do this, but I find it impossible to dispense with the earphones, mainly because of Members holding committee meetings in the middle of the Chamber.

I hope Members will take a cognizance of what I have said and that the political group chairmen will raise this matter with their secretariats, so that there can be at least some degree of dignity in our debates.

I call Mr de Courcy Ling.

**Mr de Courcy Ling.** — Mr President, I had not intended to speak in this debate and I shall do so very briefly, moved as I am by the very high feelings that are running between my Scottish colleague and our Irish friends in all the groups surrounding us. I would like to say that I hope we can remember that we in this

**De Courcy Ling**

Group, in the Liberal and Democratic Group, in the Group of European Progressive Democrats and in the Christian-Democratic Group, have much more that unites us than divides us and that this regrettable special pleading that we British have had to indulge in and which now Irish Members have to indulge in, for legitimate reasons which we understand and respect, is a commentary on defects in Community policies themselves — in this particular case, on the moribund and inadequate nature of the regional policy. The moral of this debate this morning is that the reforms — the restructuring of the budget, the new ideas on Community policies which we await from the Commission and which must go from the Commission to the Council of Ministers before July of next year really will be a turning-point in the development of this Community, because if we have these difficulties now — and they are genuine difficulties — in the South of Ireland, think of the difficulties that we are going to be facing in the case of Greece, think of the difficulties later in the case of other countries that will be joining us! So I think the moral is that we should remain calm but remember that what we are really talking about is a basic fault in Community policies themselves and that it is up to us and the Commission and the Council to work together to ensure that the policies of the future, those of the next 5 or 10 years, will be adequate for the purpose.

**President.** — I call Mr O'Donnell.

**Mr O'Donnell.** — Mr President, this motion relates to the very serious problems confronting the agricultural industry in Ireland at the present time, and it has already been pointed out that the fact that this motion has the support of all the political groups in Ireland is indicative of the gravity of the situation. A number of speakers here today have referred to various aspects of the serious agricultural crisis in our country. The point I would like to emphasize myself is that no other country in this Community is more vitally dependent on agriculture than is the island of Ireland. This point must be emphasized: it is the nub of the whole argument here this morning. Almost a quarter of the work-force in Ireland is directly employed in agriculture, and it is legitimate to say that 50 % of the people in Ireland are dependent on agriculture. The national economy of Ireland revolves entirely around the agricultural industry, and more than half of our total exports derive from agriculture. Unfortunately, as has been pointed out here this morning by a number of speakers, owing to the cumulative effects of a variety of adverse factors, the Irish agricultural industry is now in serious trouble. The cumulative reduction in farm incomes over the past two years is as high as 50 %. Now I think that this situation alone warrants very special attention from the European Community, and I understand that the Irish Government has recently put proposals to Mr Gundelach for assistance from the

Community towards alleviating the very serious problems in Irish agriculture. The purpose of this motion is to call on the Commission to respond as generously and sympathetically as possible to the case put forward by the Irish Government — a case which is supported by all political parties in Ireland. We call on the Commission to respond as favourably and as generously as possible.

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — (I) Mr President, this has been an extremely interesting, impassioned and lively debate. Impassioned and lively because the problems presented by the Irish situation unquestionably warrant such passion and such warmth. Interesting, Mr President, because it has been pointed out on various sides that these problems have to be seen against the context of a more general situation that has led to the rethinking of certain policies and of ways and means of containing any aggravation of the regional disparities in our Community.

Mr President, I feel that there has been a number of stimulating and more general suggestions that I cannot, at this time, take up. They belong, as I was saying, to a more general debate that will certainly result in considerable Parliament involvement when the Commission delivers the paper produced in performance of its mandate from the European Council. I would like to say immediately, however, that the Commission has already produced a document giving its general thoughts on the problems of the Common Agricultural Policy, in which it is unfortunately shown that the CAP has often failed to achieve the objectives of regional equilibrium but instead has increased existing imbalances.

Mr President, it is clear that the problems presented in the motion for a resolution we are discussing relate to specific requests. The last speaker has emphasized the way in which, implicitly, this motion for a resolution asks the Commission to study specific proposals with reference to the Irish situation. Mr President, I would like to recall that already in the November 1980 part-session, replying to a question from Mr Davern, I said that not only was the Commission aware of the decline that had taken place in agricultural incomes in Ireland, but that it had already put forward a series of structural measures — which were approved by the Council of Ministers in June 1980 — in favour of that country.

During the course of today's debate, I heard one speaker in particular arguing for a special assessment of Ireland's problems with regard to the fixing of agricultural prices. The only thing I can say on this subject, Mr President, is that the assessment of farmers' incomes is one of the factors that the Commission

## Natali

will use as a basis for fixing new prices for agricultural products, but it is, of course, not the only factor.

Let me now, Mr President, deal with the specific problems presented by the motion for a resolution that is before us. First of all I would like to say that the Commission has not been officially informed by the Irish Government of the measures that it feels to be necessary to help solve the crisis through which Irish agriculture is passing. There has, it is true, been a meeting between the Irish Minister of Agriculture and Mr Gundelach, the Commissioner responsible for agriculture, during the course of which the Irish Minister provided a certain amount of information, particularly about the problem of the decline in farmers' incomes over the last two years, although, on this point, I must say that this problem of declining incomes is more or less common to all the agricultural sectors in the Community. Nevertheless, the Commission is seriously concerned about the seriousness of the situation, particularly in Ireland. There is no need to go on saying — we all know it — that agriculture is a fundamental and essential feature of Irish economic life. Mr Gundelach gave instructions to his staff to study all the aspects of the problem so as to see to what extent and in what way the Commission could act in the form of proposals to achieve a satisfactory solution to the problems that have been referred to in the House. This may be a composite solution with reference to both market and structural problems we are determined to do everything possible and to strive to find an answer to a situation that has been described here in terms sometimes verging on the tragic.

**President.** — The debate is closed.

The motion for a resolution will be put to the vote at the next voting-time.

### 11. Meeting place of Parliament

**President.** — The next item is the *motion for a resolution by Mr Enright and others, on the meeting-place of Parliament (Doc. 1-749/80)*.

I call Mr Enright.

**Mr Enright.** — Mr President, first of all, may I say a warm welcome to my Friday colleagues? It has been suggested that we should not take this decision on a Friday, because so few people are here. I would suggest quite the reverse: that in fact those of us who are regularly here on a Friday are the Members of Parliament who take this Parliament seriously and therefore are the ones who are entitled to take a decision!

(Applause)

I would like to stress also that in principle this does not have anything to do with deciding which place the parliament shall meet in. I think it is very important to stress that, even though in my amendment I have said that we should meet in Strasbourg instead of Luxembourg in February and July. What is important is that we bring the organs of this Parliament under our own control — the parliamentary staff, the Bureau, the Quaestors, the Vice-President and the President herself, because all of them must remember that they are responsible to us. I therefore particularly suggest that we pass the first part of the amendment, referring to Strasbourg, in order to show that we shall decide. It may in the long run be that the College of Quaestors or the President has to come before us and say, no, we cannot meet in Strasbourg in February for this, this and this reason. But at all events it does mean that they will have to give their reasons for so doing, and I think that is terribly important.

This, as I said yesterday, is only a first, small step towards gaining control over ourselves, and that is what we want as parliamentarians. I therefore urge you to pass this motion this morning, especially the motion as it stand and the new paragraph 1 b, because they are the two crucial ones. On top of that, I would urge your support for the new paragraph 1 a in order that we can show the Bureau that they must take us into consideration.

I readily admit that they have to negotiate with the staff, but they have never at any stage negotiated with us. The best thing that could possibly happen for the staff would be if Parliament itself took control, because then they could have some stability and transparency instead of everything going on behind closed doors.

Mr President, I urge acceptance of the motion.

**President.** — I call Mr Abens.

**Mr Abens.** — (F) Mr President, I shall be very brief. I am forced once again to observe that this world is incapable of gratitude or understanding.

When the Rome Treaties were signed, no country was prepared to shoulder the task of launching the European institutions. It was left to the little Grand Duchy of Luxembourg which invested billions and billions to bring those institutions into operation. That having been said, and recognizing the fact that there are still certain imperfections and many things needing to be reshaped, the moment hardly seems right to change a calendar decided, incidentally, by agreement with the Bureau and the staff. Only yesterday highly complimentary remarks were made about the understanding, enthusiasm and commitment of the staff. It was because of this that the vote on the budget had been possible. Twenty-four hours later, without a thought

**Abens**

for the staff, we are pressing for it to go to another place of work.

Apart from that, it is primarily up to governments — I stress this personally — to decide where and when the meeting place will finally be fixed.

As for me, I do not agree with the motion for a resolution tabled by some of my colleagues and it is with some bitterness that I say so.

**President.** — I call Mr Hord.

**Mr Hord.** — Mr President, I am most grateful to my colleague, Mr Enright, for initiating this motion for a resolution. I think it would be worth our while to understand that the only way in practice that we Members can discuss our own business is by the urgent procedure provided for in Rule 14. That is incredible!

*(Applause)*

It is clearly an indication of how the Bureau squeeze us Members out of being able to discuss our own business. What I would also like to say is that this motion, judging by the amount of support it received yesterday, clearly shows the dissatisfaction that prevails on these benches over the way in which the Bureau so often promotes Parliament's business.

*(Applause)*

At the root of our problems, Mr President, is our place of work. How can a responsible organization spend so much money in so many places as we have been doing through our Bureau? Has this House had an opportunity of deciding whether we spend £ 1.8 m on rent in Strasbourg and even more money on new buildings in Brussels, when we have not even decided where we are going to work?

So what I say, Mr President, is that the time is long overdue for us to take matters into our own hands. We must ensure that the rules deal with the situation in a way a responsible organization would demand. I believe, as Mr Enright so rightly said, that this is the first step, and I would like to impress upon Members that it is incumbent upon us all to ensure that our own rules are changed so that Parliament may be sovereign over its own business.

**President.** — I call Mrs von Alemann.

**Mrs von Alemann.** — Mr President, ladies and gentlemen, Mr Hord has just said that the root of our problems is our place of work. I can only reply that the root of our problems is the fact that we have not got enough power to decide things in the interests of the

Community. At the root of our problems is most certainly not just the question of where we are working.

*(D)* It must be all the same to Members of Parliament whether they have to go to Strasbourg, Luxembourg or Brussels.

I asked to speak just to make two points on Mr Enright's speech. The first, Mr Enright, is this: how can you write in the third recital of yesterday's motion for a resolution 'Wishing to remove from its staff the uncertainty which currently exists,' and today table an amendment which really does throw the staff into uncertainty? Or do you perhaps believe that there is no uncertainty for the staff in hearing today that it has to change all its plans for February and July and go somewhere else? The plans for February for Luxembourg still stand, though. That is what really creates the uncertainty.

*(Applause on various benches)*

My second point concerns the so-called Friday people. With you, I regret that the House is really very poorly attended on Fridays, but I must say that your Group too could perhaps have been here in greater numbers if they are so keen on this proposal.

*(Applause)*

**President.** — I call Mr Coppieters.

**Mr Coppieters.** — *(NL)* Mr President, I am in sympathy with Mr Enright's motion, which is, in fact, seen in the Bureau as the revolt of the back-benchers. To some people this can be put down to dislike for the snow and cold on the Kirchberg plateau, but that is not the reason at all. I would, however, like to tell Mr Enright that it is not possible and not, in fact, honest to discuss his motion without discussing the seat of our institution. It is not right, Mr Enright, and I shall not follow you in that direction, however much I support your motion. With the arrival of our Greek Members, Mr President, the problem will become even more acute. The place that this Parliament should logically meet, as everyone knows, can only be Brussels. The place where airline connections make normal travel plans possible, as everyone also knows, is Brussels. The fact that the Congress Hall in Brussels, provided a few adjustments are made, can accommodate even plenary sittings in satisfactory conditions is unfortunately not known to everybody, but I am now saying it here in this House for the second time.

Our naïve surprise, Mr President, that neither Brussels nor Luxembourg should have made any serious effort to enable our institution to work in satisfactory conditions is not at all naïve. Even less naïve is our conjecture that we have, for several years now, been bound



## Coppieters

to a predetermined place on the basis of the Franco-German friendship.

And now let us talk about the staff, Mr Abens. It is at the request of the staff that Luxembourg was chosen for 1980, and rightly so. Whether we should continue to meet in Luxembourg in the future is another question. Our respect for the staff requires of us that we give the question of the meeting-place the most serious consideration. Finally, the staff has a right to definite information in the short — or not so short — term. This must be our guideline today and not a 5-minute revolt against the Bureau. We cannot deal with Mr Enright's motion.

**President.** — I call Mr Estgen.

**Mr Estgen.** — (*F*) Mr President, I have a slight feeling that Mr Enright's proposal mixes up two different things.

On the one side, of course, there is the question of Parliament's real power. Mrs von Alemann has very well made the point that this Parliament does not have enough power, and we must all fight — and I am the first to be so resolved — to increase the powers of this Parliament. I am also ready to discuss the attitude of the Bureau in its relations with the House.

The fact remains that all these questions deserve specific attention and not a discussion devoted to just one point, deciding where Parliament should sit. If there is one thing to which every man and woman in politics needs to be attentive, it is to remain credible, to increase his or her credibility with the public. But what, at the end of a week in which our responsibility has been largely exercised in the discussion of the budget, are we now being asked? We are being asked to take the decision not to meet in Luxembourg in February or July. In other words it is primarily a question of our own convenience in this House. Now, if there is one thing that every politician must do, it is to honour his undertakings.

What are those undertakings? We decided — and everyone has known this for a certain time — to meet in Luxembourg in February and July. The staff knew it and we therefore had commitments towards that staff. In this House we make many statements and adopt numerous resolutions in favour of the well-being of workers in all sorts of sectors. Well, we must also be mindful of the well-being of our own staff, and this is neither the moment nor the place to discuss so fundamental a matter as the place at which Parliament should meet. We have adopted, almost unanimously, a resolution on this subject and we have urged the Council to shoulder its responsibilities in this matter. We have set the wheels in motion. A working party has been instructed to study the question. In these conditions what do we want now? I think that it is

essential to honour our undertakings and not to launch off into this business with its wholly personal interest for certain Members of this House.

**President.** — I call Mr von der Vring.

**Mr von der Vring.** — (*D*) Mr President, I asked to speak when I heard Mrs von Alemann's opinion that it was all the same to Members of Parliament where they met. That cannot be true, Mrs von Alemann. Nor can I understand in this connection why it should be claimed that this is a matter of Members' convenience. The real issue is whether we are able to do our work as Members of Parliament with some degree of efficiency — and here we cannot. Where yesterday, Mrs von Alemann, did you have an opportunity to do something between the sittings? Or do you believe that this is not your job? Do you believe that you just have to sit around here for a week putting your hand up and down, speaking from time to time and listening? Is that the beginning and end of your activity as a Member, staying for two weeks out of four in Strasbourg or Luxembourg with no opportunity to go about and inform yourself and speak with other people?

Someone has called us a 'travelling circus'. Was it not precisely your colleagues in the Federal Republic, Mrs von Alemann, who said they wanted to put an end to the 'travelling circus'? Your friend Mrs Nichelsky has been trotting this out wherever she goes in the campaign election on behalf of the FDP. Whence my question: where do the Liberals stand if what they want is to put an end to the travelling circus? Here, instead, you are defending the travelling circus and the squandering of millions of taxpayers' money. At home you complain about it, but here you are fighting to keep things as they are.

We do want proper relations with the staff, but where in the world does staff decide where Parliament should sit? Who then, in fact, took the decision to hold the part-session here? Did we, this Parliament? Far from it. I have, Mr Bangemann, tried several times to persuade the Bureau to have this question decided by the full House.

*(Interruption)*

The Bureau made the decision, and now we are merely trying to transfer the making of the decision to where it belongs. Is that a revolt?

No, instead it is a normal process, and I could tell you a long story about how difficult it is to persuade the Bureau to comply with the Rules of Procedure in these matters and how long the coming and going and the exchange of correspondence with the Bureau lasted before I got a semi-clear answer. To what lengths were they not prepared to go just to prevent even that?

**Von der Vring**

Are members of staff, in fact, free to choose their place of residence at will? No. There was the campaign to allow newly-engaged interpreters to have their place of residence in Brussels. This was allowed. Then interpreters already on the staff also applied to move and that was allowed as well. Then some of the staff began to decide for themselves where they wanted to live. But what did the Staff Committee do? It intervened and prohibited removals. Ladies and gentlemen, this is the way the Staff Committee behaves towards the staff. I would like to know who in this case really decides. Now with regard to the powers of Parliament, we do not decide where the seat is to be. Here let me make it clear once for all that it is not a question of the seat of Parliament, because the Treaties refer to the seat of the institutions of the Community. We merely decide — and this is our right — where the next part-session should take place. On Friday of each part-session it is formally announced that the Bureau has decided that the next part-session shall take place here or there. Are we then asked: any objections? No, it is so decided.

I have always thought that we could raise an objection in this House, but when I tried to do so, ladies and gentlemen, in the Liberal Group, Madam President told me that in practice no objection could be raised because this had all been decided six months ago. So would you now tell me where I can exercise my right as a Member to decide where we shall meet in the coming years if not today and if not in this matter we shall soon be voting on? So I would ask you not to try to prevent this vote with quorum dodges. I ask every-one to vote in favour of this motion for a resolution.

**President.** — I call Mr Bangemann.

**Mr Bangemann.** — (D) Mr President, I had not really meant to speak in this debate, but Mr von der Vring ...

**Mr von der Vring.** — (D) Better if you hadn't.

**Mr Bangemann.** — (D) Mr von der Vring, that is a typical example of Socialist prejudice. You have not heard what I wanted to say, but you already say it would have been better if I had said nothing.

(*Applause. Interruptions*)

For that reason I would like now to tell you what I think about this matter. First of all, I cannot honestly understand your criticism of the Bureau. In the Bureau we came to a fully democratic decision, with a narrow majority, that led to the division of part-sessions between Strasbourg and Luxembourg that we are now debating. This decision was taken by the Members present. If I rightly remember, the decision was carried

by five votes against four. Of course, you can criticize it for not being in accordance with your thinking. No-one can object to that. But if you maintain that it was not a decision of Parliament, then that is incorrect to the extent that Parliament has elected a Bureau in order that this Bureau should take such decisions.

If you do not agree, then you must choose another Bureau. Otherwise you are making things far too easy for yourself. This also applies to the members of your own Group who are in the Bureau and who perhaps were not present at the time or possibly decided differently from the Socialist Group or possibly did not give a clear enough explanation in the Socialist Group of the majority decisions taken in the Bureau.

Now with regard to the question of the 'travelling circus', it was the Liberal Group that invited other groups, and the other groups admittedly took up this invitation with great satisfaction. We were very gratified to be able to agree on a common procedure whereby we could put an end to the 'travelling circus'. We therefore decided in Strasbourg, by a large majority, to give the Council up to 15 June. You cannot therefore accuse us of not wanting to bring the present situation to an end. But one thing — and here I agree with my colleagues — seems to me quite clear. To pre-judge such a decision now in the 'trial gallop' procedure and to give offence to Luxembourg that has performed truly European services, simply by saying one morning, 'What is the Bureau and its silly talk to us; we want everything changed', I find unfair. To me it is not European. I am in favour of ending the 'travelling circus', but I am also against simply dismissing a country like Luxembourg and the Luxembourg population that has performed great services to Europe. But that is precisely what you have in mind.

**President.** — I call Mr Collins.

**Mr Collins.** — I am wondering, Mr President, whether it is in fact Mr Bangemann's view, and indeed the view of the Bureau, that the Bureau is accountable to Parliament only once a year or once every 2½ years through the elections.

**President.** — I call Mr Arndt.

**Mr Arndt.** — (D) Mr President, I shall try, as far as possible, to speak dispassionately. You are apparently telling us, Mr Bangemann, that a Bureau can decide such an important question by a vote of five to four, and that may well be so. However the President must have remarked during the last three months that considerable unrest prevails in Parliament and it is the duty of the Bureau and the Group chairmen to take note of this. The chairman of our Group has done this repeatedly. Your assertion that it is just a matter of the

**Arndt**

convenience of Members I resolutely deny. Once again I make the point that it should be the duty of the Bureau to understand that Members are not in a position to fulfil their mandate in the conditions in which they have had to work in Luxembourg this week.

*(Applause)*

Those are the facts. Let me repeat. We all had many things to do. All of us — with the exception of the Group chairmen and the members of the Bureau — had to sit into our cars or go somewhere else to do this work. We have no offices and no opportunity to work here. For this reason, this motion for a resolution is fully understandable. Now, however, I would turn to the members of my Group with a request. It may still be possible to change the July part-session. For the February part-session, out of consideration for the Members, the staff and the administration, I think it is now too late. For this reason I would really be happier if no change were made to the meeting place for February.

I know that the Christian Democrats want to table a motion for a resolution on establishing a quorum and to push through the motion. In that case the earliest we could decide would be January. In January it will certainly be too late to change the meeting place for February. We therefore put two urgent requests to the Bureau. The first is to provide minimum working conditions for this Parliament during the February part-session. Otherwise, and I say this now, I shall urge the Members on Monday of the February part-session to go back home, because that would be better than to protest against the conditions in which we have to perform here. The Bureau must firstly therefore provide acceptable working conditions in February and secondly it must check whether the July part-session can really take place here. That seems to me to be a preliminary condition. I am assuming that no vote will be taken today because the Christian Democrats have tabled their motion for a resolution about the establishment of a quorum.

**President.** — I call Mr Hord on a point of order.

**Mr Hord.** — Mr President, the situation regarding speaking-time for today's agenda is unsatisfactory, since it was allocated before the House voted to adopt urgent procedure on four motions. As I understand it, it is normal for Members, without encroaching on the groups' time, to speak for three minutes in the various debates organized under Rule 14.

Would you please confirm that the groups' speaking-time relates to those items on the agenda put there before urgent items are adopted under Rule 14 and that each Member is able to speak for three minutes on each of the items placed on the agenda pursuant to Rule 14?

**President.** — Mr Hord, if one accepted your argument and allowed, over and above the number of hours or minutes available, three minutes for each speaker on items taken under Rule 14, we should need a completely elastic day.

The debate is closed.

The motion for a resolution will be put to the vote at the next voting-time.

12. *Reduction in frontier-points in Italy for the customs clearance of steel products*

**President.** — The next item is the *motion for a resolution by Mr de la Malène and others, on behalf of the Group of the European Progressive Democrats, on the drastic reduction in the number of frontier-points in Italy assigned to the customs clearance of steel products (Doc. 1-759/80).*

I call Mr Remilly.

**Mr Remilly.** — *(F)* Mr President, when requesting the urgent procedure, Mr de la Malène already covered the essential points. Even so, I feel it may be useful to recall that on 12 November the Italian Government decided to reduce the number of frontier points where steel products can be cleared through customs from 31 to 19. The reason given was the need to make the controls on imports from third countries more effective. If the measure introduced had had only this one objective no criticism would be warranted, but, in fact, many of the points closed were those where products coming exclusively from ECSC countries, and particularly France, crossed the frontier. Examples are the frontier posts at Domodossola, Luino, Aosta, Ventimiglia, Genoa, Civitavecchia, Piombino and Salerno. ECSC products, with the exception, of course, of scrap (which is given special treatment), can now be cleared through customs at only 12 frontier points, often well into the interior of the country, whereas the same products can be cleared through French customs at about 400 points, half of which lie at the frontier.

You will agree with us, ladies and gentlemen, that these measures taken by the Italian Government are tantamount to raising customs barriers against Community countries. It is a situation which cannot be allowed to continue. On behalf, therefore, of the EPD Group I strongly urge that the Italian Government be formally requested to restore the free movement of steel products between Italy and the Member States of the European Community.

IN THE CHAIR: MRS VEIL

*President*

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — (I) Madam President, I would like to inform the proposers of this motion for a resolution and Parliament as a whole that as soon as the Commission was informed of the decision of the Italian Government it immediately made contact with that government. A mission from the Customs Union administration service is currently in Rome having meetings with the Italian Government in order to clarify the situation. Unfortunately, I am not in a position to give any further information in view of the fact that the mission is still in Rome, not having been able to return because of the air traffic controllers' strike.

**President.** — The debate is closed.

The motion for a resolution will be put to the vote at the next voting-time.

### 13. *Membership of the Court of Auditors*

**President.** — After consulting the chairmen of the Committee on Budgets and the Committee on Budgetary Control, the enlarged Bureau proposes that Parliament give a favourable opinion on the appointment of Mr Georges Vitalis as member of the Court of Auditors.

Are there any objections?

That is decided.

### 14. *Votes*

**President.** — The next item comprises the votes on those motions for resolutions on which the debate is closed.

We begin with the motion for a resolution contained in the *Hoff report (Doc. 1-704/80): Rate of ECSC levies for 1981:*

*(Parliament adopted the preamble and paragraphs 1 to 8)*

After paragraph 8, I have Amendment No 1, tabled by Mrs Hoff on behalf of the Committee on Budgets and inserting the following two new paragraphs:

8a. Refers to the supplementary budget No 2 of the European Communities for 1980,

8b Calls on the Commission in this connection to use part of the appropriations set aside therein for the social sector, for social measures in the steel sector.

*(Parliament adopted Amendment No 1 and paragraphs 9 to 16)*

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

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

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**President.** — I put to the vote the motion for a resolution contained in the *Taylor report (Doc. 1-707/80): Community loans to support Member States' balances of payments.*

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

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**President.** — We proceed to the motion for a resolution contained in the *Filippi report (Doc. 1-683/80): Pre-accession aid for Portugal.*

I have Amendment No 1, tabled by Mrs De March and others and replacing the whole of the motion by the following new text:

The European Parliament,

— having been consulted by the Council on the agreement reached with Portugal in preparation for the accession of that country to the EEC,

— noting the wish of the EEC governments to conduct the negotiations for the accession of Spain and Portugal more rapidly,

— noting that the peoples who are threatened by this enlargement are kept uninformed of these negotiations and of the consequences which they would have for their lives, regions and countries,

— noting further that the policies pursued by the governments and the Commission are already preparing for enlargement through the associated structural changes, which are resulting in unemployment, bankruptcies and a downturn in production,

— noting that by proceeding as if enlargement were already a *fait accompli* the European Institutions are riding roughshod over the national parliaments,

<sup>1</sup> OJ C 346 of 31. 12. 1980.

## President

1. Points out that the first enlargement of the EEC brought no benefit to the peoples but, on the contrary, resulted in:
  - a strengthening of the role of the multinational corporations,
  - allowance as a matter of priority for the interests of the United States,
  - a first onslaught on the common agricultural policy,
  - permanent derogations from the rules of the common market and in particular from the principle of Community preference,
  - support for the multinational food processing companies at the expense of the small farmer;
2. Notes further that the consequences of the first enlargement have still not been witnessed in their entirety, since a substantial gift was recently made to the United Kingdom;
3. Points out that all the studies and analyses have proved that a further enlargement would have serious consequences for the peoples of the applicant countries and of the present Member States;
4. Points out that over and above the serious threat to agriculture and industry, the independence and sovereignty of the peoples are now at risk;
5. Considers that the further enlargement, particularly the accession of Spain, is a direct threat to hundreds of thousands of small and medium-scale farmers in the EEC; Mediterranean crops are already affected, vines are being grubbed up in the south of France to allow Spanish wine to penetrate the market; the production of fruit, vegetables and fisheries would have to be cut back, as would most other French crops, and the farmers, forced to leave the soil, would have no alternative but to join the growing ranks of the unemployed;
6. Considers that by accelerating the policy of specialization in agriculture, with each country concentrating on certain products which are held to be profitable, enlargement would jeopardize the independence as regard food supplies of a major farming country like France;
7. Considers further that farmers in the applicant countries would not benefit either, since the flight from the land and unemployment would become much more serious while the multinational corporations would earn new profits, which is why French groups are rushing to set up establishments in these countries;
8. Maintains that the policies to cut back on production which have already been initiated are scandalous in view of the immense needs of the peoples who are suffering from hunger;
9. Notes that the risks in the industrial sector are equally disturbing since the economies of Spain and Portugal offer a perfect base for the redeployment of multinational companies interested in paying low wages and in cutting down their social charges, which is why they are rushing into Spain — especially representatives of French capital;
10. Believes that whole areas of key sectors of the economy of a country like France are at risk; in addition to the steel industry, shipbuilding and the textile industry, which are already seriously affected by the policy of austerity, new sectors would be hard hit by enlargement, e.g., the motor industry, electronic engineering, and all manufactured products, where enlargement would only speed up the existing process of restructuring, with greater penetration of American and Japanese capital into Europe;
11. Considers further that industry in Spain and Portugal would not benefit to a corresponding extent, since 95 % of the undertakings in those countries have less than 25 employees and are threatened on a vast scale, as is the case, for example, with the Spanish glass industry, which would fall under the domination of the French corporations Saint-Gobain and BSN;
12. Considers that the mastery gained by foreign multinationals over the economies of these countries will result in greater unemployment and a substantial increase in emigration, as the Brussels Commission has been forced to recognize; the massive establishment of the major international banks and the definition by Brussels of conditions for restructuring are already evidence of the increased dependence of these countries;
13. Stresses the anxiety felt by the ACP countries associated with the EEC through the Convention of Lomé and by the Mediterranean countries which have concluded cooperation agreements with the Community, since their agriculture and new industry are directly threatened by competition;
14. Places on record also its indignation at the consequences for these countries of the accession of Greece, which has been imposed on them as a *diktat*;
15. Notes that the proponents of enlargement are proposing that it should be used as an opportunity for institutional changes in the EEC, in particular by abolishing the unanimity rule which has been applied in the Council of Ministers since the Luxembourg Agreement;
16. Notes that the enlargement of the Community by the accession of Greece has been accompanied by the reintegration of that country into NATO and that the accession of Spain to NATO is now being envisaged, thus meeting the US's wish for the southern flank of NATO to be strengthened;
17. Considers that the enlargement of the EEC is a vast process aimed at strengthening the integration of these countries into a Europe dominated by the United States, and further considers that, far from helping to strengthen democracy, the accession of these countries, which have recently regained their freedom, would merely place them in new chains,

**President**

18. Considers further that this enlargement, designed to strengthen the integration of Europe into an Atlantic framework, would further accentuate the alignment of the EEC on the United States and seriously jeopardize the independence and national sovereignty of the Member States;
19. Calls therefore for the immediate cessation of the negotiations leading up to the accession of Spain and Portugal, which should be replaced by mutually advantageous cooperation based on respect for national independence;
20. Proposes that the funds used today to prepare for enlargement should be allocated instead to the common agricultural policy.

What is the rapporteur's position?

**Mr Filippi, rapporteur.** — (I) I am against this, Madam President.

(Parliament rejected Amendment No 1)

**President.** — I put the motion for a resolution to the vote.

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

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**President.** — We proceed to the *Newton Dunn report (Doc. 1-675/80): Protection of workers from exposure to lead.*

We have first to vote on the amendments to the proposal for a directive.

On the second indent of Article 6, I have Amendment No 1, tabled by Mrs Schleicher and restoring the Commission's text.

What is the rapporteur's position?

**Mr Newton Dunn, rapporteur.** — The committee decided in favour of the original text of the report by 11 votes to 9. I am therefore against the amendment.

(Using the electronic voting system, Parliament rejected Amendment No 1)

**President.** — On Article 8 (b), I have Amendment No 3, tabled by Mrs Schleicher and restoring the Commission's text.

What is the rapporteur's position?

**Mr Newton Dunn, rapporteur.** — Madam President, I am against this amendment. The committee decided in favour of its own text by 12 votes to 10.

(Parliament adopted Amendment No 3)

**President.** — I call Mr Newton Dunn.

**Mr Newton Dunn, rapporteur.** — Madam President, before the voting started, I did ask the desk for a separate vote on certain of the proposals in the committee's text. Could we have a separate vote on the second part of 8B; on the individual blood-levels?

**President.** — I am not sure that that would have been possible. In any case, the vote has taken place and it is too late. I am sorry.

We proceed to the motion for a resolution.

(Parliament adopted the preamble and paragraphs 1 to 8)

After paragraph 8, I have Amendment No 2, tabled by Mrs Scrivener and inserting the following new paragraph:

8a. Asks the Commission to find ways of making Community funds available to help small and medium-sized undertakings to fulfil the obligations laid down in this directive;

What is the rapporteur's position?

**Mr Newton Dunn, rapporteur.** — Madam President, this is a new amendment. It was not considered in committee. However, I believe the committee would have been in favour of it.

(Parliament adopted Amendment No 2 and then paragraphs 9 and 10)

**President.** — I can now give the floor for explanations of vote.

I call Mrs Gredal.

**Mrs Gredal.** — (DK) Madam President, I should like to explain very briefly why I cannot vote for Mr Newton Dunn's motion. The proposal we are debating today is a minimum directive rather than a maximum directive, which I would normally regard as acceptable, but this is a very sensitive topic and economic considerations must not be allowed to stand in the way of responsible minimum standards. We are talking here about the biological limit values for lead levels in the blood and in the air. I consider the use here of limit values higher than those prescribed by the WHO to be totally unacceptable, especially as the latter

<sup>1</sup> OJ C 346 of 31. 12. 1980.

**Gredal**

values are enforced in the United States. That is my first objection to the report. The second is the very method adopted for measuring the limit value. According to the proposal, air and blood lead levels are to be measured over a 40-hour working week. It has been proved that in practice measurements taken over an 8-hour working day show up higher levels of lead. Measurement over a 40-hour working week is reckoned to raise limit values by up to 20 %, and for these reasons I regard the proposal as unacceptable and shall vote against it.

**President.** — I call Mrs Weber.

**Mrs Weber.** — (*D*) Madam President, ladies and gentlemen, I have, in recent months, very much appreciated the aptitude of the rapporteur, Mr Newton Dunn, for coordination and cooperation. I feel that his attitude towards the proposed amendments has been very fair. But that he should just have said that Mrs Scrivener's proposal was approved by the committee I can really not understand, because in committee we had a proposal worded in almost the same way which was unequivocally rejected by the committee. That was a misjudgement that I very much regret. If in fact we are going to make available Community resources to firms for environmental protection so that they can comply with our requirements, then it will be quite impossible for us to use our funds rationally. I consider the decision that has been taken here to be thoroughly bad and I regret that the rapporteur has made this remark.

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

The resolution is adopted.

I call Mrs Scrivener.

**Mrs Scrivener.** — (*F*) Madam President, ladies and gentlemen, I do not know what we can do about this matter because the vote has been taken, but it so happens that, because of an error, we have adopted an inconsistent text. It is a problem of procedure. The point is that we were unable to request a separate vote on paragraph 8 in sufficient time. We did, of course, want a vote on paragraph 8 in the same way as we voted on paragraph 6. That is what was agreed with the rapporteur. In other words we wished that there be a vote in favour of the amendment to paragraph 8(b) which was adopted in committee and which rules against any discrimination between men and women. But we wanted to return to the permissible individual lead rate stated in the motion for a resolution. That was by no means impossible and it is what we intended to do. The proceedings were so fast we were unable to react when required. I wanted to say this because the document we have adopted is completely inconsistent.

It contains a contradiction, which will without any doubt face the Commission with a problem.

**President.** — I call Mr Sherlock.

**Mr Sherlock.** — I can only underline what Mrs Scrivener has said. If people had stayed behind last night to listen to the debate, their minds might be clearer this morning. It is shameful indeed, because this proposition can only be rejected by nine out of nine Member States at Council level or perhaps, as the Greeks will be coming in, by 10 out of 10, thus forming an all-time record, since it is now contradictory in its two parts.

It is setting one standard in one paragraph and another standard in another. Not only the committee but the Parliament as a whole is made to look impossibly ridiculous by such a decision. I can only feel that haste has contributed to it. If we had done this sensibly, taking some of the paragraphs separately, we might have avoided this complete chaos.

**President.** — I call Mrs Maij-Weggen.

**Mrs Maij-Weggen.** — (*NL*) Madam President, to my mind Mrs Scrivener and Mr Sherlock are both right; I think that a procedural mistake has been made. If the first amendment by Mrs Schleicher was rejected, then the second should really not have been put to the vote or should have been voted on in the same way. As I see it, the second amendment should really be dropped to give way to the first, and the first, that has been rejected, should count as the more important. This would solve the problem and then there would no longer be any contradiction in the resolution.

**President.** — I call Mrs Roudy.

**Mrs Roudy.** — (*F*) We have a text which is really absurd. To be consistent we should have voted in the same way on paragraph 6 and paragraph 8, because they are practically the same; but something failed to function in certain Members' logic, because the vote went opposite ways.

The two amendments tabled were very clear. We had to choose one way or the other, but the same in both cases. Now we have one direction in paragraph 6 and the opposite in paragraph 8. It no longer makes sense.

**President.** — I propose that this text be sent back to the committee responsible, which will decide whether

**President**

it can do anything itself to eliminate the contradiction or whether a fresh vote on this article will be required.

(Applause)

I call Mr Collins.

**Mr Collins, Chairman of the Committee on the Environment, Public Health and Consumer Protection.**

— Madam President, there must be something haunting this particular directive, because only last night I had to rise in this House and say that two months before I had withdrawn this from the agenda because of a variety of unfortunate circumstances. The rapporteur brought it back to the committee to be considered again, and we reduced the number of amendments. We brought it here in the hope we might be able to think about it coherently. In the end, however, we find that the debate took place late on a Thursday evening after a very heavy day of budget voting, and that the vote is now being taken on a Friday morning after, I suspect, people have been celebrating the end of the budget, or something appropriate.

At any rate, we find there is inconsistency. Earlier this morning I considered taking this off the agenda and bringing it back in January. I have been confirmed, I think, in my earlier feelings, and I would support the view that this report should come back to the committee at this stage so that we can guide the Assembly more effectively in its thinking. I hope that when the report does come before the House once more, it does so not on a Friday morning, but at some more appropriate time.

**President.** — Mr Collins, it is not the whole of the text that will have to be considered in committee, only Article 8 (b), in order to try and resolve what appears to be a contradiction in the way Parliament has expressed its opinion in plenary sitting.

I call Mrs Squarcialupi.

**Mrs Squarcialupi.** — (I) Madam President, I think that a mistake has been made inasmuch as two contradictory points have been put to the vote. To my mind, therefore, the vote on the second amendment was pointless.

**President.** — Those who had voted one way for the first amendment should have voted the same way for the second. The contradiction arises from the fact that some Members voted for one amendment and against the other. The committee will express its views on this contradiction.

I call Mr Newton Dunn.

**Mr Newton Dunn, rapporteur.** — I also regret what has happened. Can I just say, more in sorrow than in anger, that I placed a request at the desk, before the voting started, to vote on these things separately in the different articles of the text. Had we done that and not rushed straight at the amendments, I do not believe we should have got ourselves into this situation now.

**President.** — The time taken to vote on these amendments was no less than usual. The rapporteur must follow the proceedings and, when asked to state his position, ask for a separate vote if he considers this necessary.

I call Mrs Schleicher.

**Mrs Schleicher.** — (D) I would like once again to say, for clarity's sake, that yesterday evening several speakers in the debate asked for a separate vote. If no formal note was taken of that, I would ask that yesterday's Report of Proceedings be checked. The Bureau should then announce afresh how this matter should be dealt with. I do not think it is satisfactory to refer back to committee an item on which a vote has been taken. I would therefore ask that this matter be clarified by the Bureau in order to prevent similar cases in the future and avoid difficulties for which no provision is made in the Rules of Procedure.

**President.** — I must insist that all rapporteurs, when asked to state their position, make it clear whenever they wish the vote to be taken paragraph by paragraph.

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**President.** — We proceed to the *Ghergo report (Doc. 1-552/80): Application of social security schemes to employed workers.*

We must first consider the proposal for a regulation.

On Article 1 (6), I have Amendment No 2, tabled by Mr Oehler and rewording this paragraph as follows:

6. Article 68 (1) shall be replaced by the following:

1. The competent institution of a Member State whose legislation provides that the calculation of benefits should be based on the amount of the previous wage or salary shall take into account exclusively the wage or salary received by the person concerned in respect of his last employment immediately prior to the materialization of the risk under the legislation it administers. The institution providing the benefits in accordance with Article 71 (1) (a) (ii) and (b) (ii) shall take into account the salary received by the person concerned, on the same conditions, under the



## President

legislation of the competent state, the salary paid being converted into the currency of the country of residence according to the provisions of paras. 1-5 of Article 107 of Council Regulation EEC No 574/72<sup>1</sup>. However, if the person concerned had been in his last employment under that legislation for less than four weeks, the benefits shall be calculated on the basis of the normal wage or salary corresponding, in the place where the unemployed person is residing or staying, to employment equivalent or similar to his last employment under the legislation of another Member State.

What is the rapporteur's position?

**Mr Ghergo, rapporteur.** — (I) Madam President, I agree to the proposed amendment tabled by Mr Oehler regarding the calculation of unemployment benefit, which therefore has an exclusively technical content.

(Parliament adopted Amendment No 2)

**President.** — We now proceed to the motion for a resolution.

(Parliament adopted the preamble and paragraphs 1 to 4)

After paragraph 4, I have Amendment No 1, tabled by Mr Oehler and inserting the following new paragraph:

- 4a. Considers that the amendment proposed by the Commission to Article 68 (1) should be accompanied by an adaptation of Article 71 (1) (a) (ii) to the effect that the financial burden resulting from a frontier worker's being wholly unemployed should be borne by the two States concerned, the one in which he was last employed and the one in which he resides;

What is the rapporteur's position?

**Mr Ghergo, rapporteur.** — (I) Madam President, I have said that in my opinion it would be far more advisable to deal with this matter in connection with the report that is now being prepared specifically concerning these 'frontier' workers. I would therefore be against including it in this motion for a resolution.

(Parliament rejected Amendment No 1 and adopted paragraph 5)

**President.** — Amendment No 3, by Mrs Cassanmagnago Cerretti, has been withdrawn.

(Parliament adopted paragraph 6)

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

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

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**President.** — We now proceed to the *Van der Gun report (Doc. 1-553/80): Income support for shipbuilding workers.*

(Parliament adopted the preamble and paragraphs 1 to 3)

After paragraph 3, I have Amendment No 1, tabled by Mr Oehler and inserting the following new paragraph:

- 3a. Regrets, however, that since 1974 the European Community has been unable to conduct a policy that would have avoided a reduction in the competitiveness of the shipbuilding industry, its decline in the world, and the loss of 90 000 jobs;

What is the rapporteur's position?

**Mr Verhaegen, deputy rapporteur.** — (NL) Madam President, I am in agreement with the content of this amendment but I find that the text is really unnecessary, expressing as it does a point already made in the motion for a resolution. I therefore ask Parliament not to adopt this amendment.

(Parliament rejected Amendment No 1 and adopted paragraphs 4 to 6)

**President.** — After paragraph 6, I have Amendment No 2, tabled by Miss Quin and others and inserting the following new paragraph:

- 6a. Is of the opinion that this aid should not be used by national governments merely as a substitute for any existing national forms of income support but should constitute an extra benefit for the workers concerned;

What is the rapporteur's position?

**Mr Verhaegen, deputy rapporteur.** — (NL) I would ask the House to approve this amendment.

(Parliament adopted Amendment No 2 and paragraphs 7 and 8)

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

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

<sup>1</sup> OJ C 138 of 9 June 1980.

<sup>2</sup> See OJ C 346 of 31. 12 1980

**President.** — We proceed to the *Plumb et al. motion for a resolution (Doc. 1-687/80): Training in farming and rural life.*

I call Mr Bocklet for an explanation of vote.

**Mr Bocklet.** — (*D*) Madam President, ladies and gentlemen, kindly allow me, in this explanation of vote, to bring out what did not come to the fore in the discussion. I ask you to support Sir Henry Plumb's motion for a resolution, the purpose of which is to promote training and further training in agriculture and in the rural sector. We all know that the agricultural policy is the only integrated policy at Community level. But the business of such a Community policy is not just to control the market and improve structures, it is also, and indeed this is an essential component, to provide information and training for those people that are physically affected by this Community policy, in other words the farmers and the rural population.

For this reason, the European Community has always felt that it was its duty to give financial support to the performance of this task. To that end, the Commission has placed this task of farmers' information and training with the European Farmers' Association's European Training and Promotion Centre for Farming and Rural Life, and supported this important work . . .

(*Interruption*)

. . . with sizeable Community funds. More specifically, the use of the training centre for young farmers and farmers' wives and in the disadvantaged areas is now making a decisive contribution in our efforts to improve living conditions in agriculture. Community funds have also helped farmers in our Member States to exchange their experience in a large number of conferences and seminars and to meet each other in terms of European thinking. Greece will soon be a member of our Community. No one would argue that the provision of information and the opportunity to meet other farmers is not of particular importance to a new member. Let us therefore help the Greek farmers to be at home in our Community.

(*Disturbance*)

Agriculture necessarily, I admit, claims a large part of the budget. I appeal to the Commission, in the framework of the funds expected to be transferred from the second 1980 supplementary budget, to give additional support to the information and training work of the European Centre in accordance with its own budget proposals.

(*Disturbance*)

I think we are agreed that this money for people in rural areas is usefully applied. Thank you for your attention.

(*Laughter*)

**President.** — I call Mr Arndt on a point of order.

**Mr Arndt.** — (*D*) Madam President, in principle you are right in drawing attention to the fact that every Member of this House is allowed to make a three-minute explanation of vote. Mr Bocklet began, however, by saying that he wanted to explain something that he had been unable to make clear in the debate. Right from the outset, therefore, he said that he did not want to make an explanation of vote. At that point you ought to have intervened.

**President.** — I call Mr Maher for an explanation of vote.

**Mr Maher.** — Madam President, Sir Henry Plumb proposes that the original proposal by the Commission for a support of 215 million units of account should be brought back in after the Council has reduced it to 160. I am supporting this because I believe that this organization represents not only farmers in the Community but also people who work with farmers: rural trade unions, women's organizations, young farmers, cooperatives. These organizations come together in order to develop information about the European institutions, about how the Community works, about how the Community regulations and directives affect the lives of people in rural regions.

Now this is very important, because it produces a situation where people in rural areas can identify themselves more with the European Community and have a better understanding of what the Community is all about, and I believe that this work could not be bought with money. The Council could not do it if it tried, because the people who are spreading this information are of these organizations themselves. In this way they combine to ensure that there is an identification of these people with the European Community and with the concept of European unity, as well of course as developing information about improving the living conditions of these people in rural areas.

I hope, Madam President, that the Council will review its position and agree to support what the Commission is proposing.

**President.** — I put the motion for a resolution to the vote.

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

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**President.** — We proceed to the *Davern et al. motion for a resolution (Doc. 1-730/80/rev.): Crisis in farming incomes in Ireland.*

*(Parliament adopted the first two indents of the preamble)*

On the remaining indents, from the third to the sixteenth, I have Amendment No 1, tabled by Mr Provan and others and replacing these indents with the following new text:

- considering the vital role which agriculture plays in the economy of the Community,
- considering that farmers in several regions of the Community are in difficulties because of climatic and economic situations, particularly high interest rates in certain parts of the Community,
- considering that it is necessary to take certain actions to stop the growing number of farm bankruptcies, and the consequent decline of the agricultural sector,

*(Parliament rejected Amendment No 1<sup>1</sup> and adopted indents 3 to 16)*

**President.** — On paragraphs 1 and 2, I have Amendment No 2, tabled by Mr Provan and others and replacing these paragraphs with the following text:

1. Calls on the Commission to take steps to implement measures to deal adequately with the crisis situation in the agricultural sector in areas which have been particularly hard hit by climatic factors during the 1980 season and which are suffering from particular economic disadvantages;

*(Parliament rejected Amendment No 2 and adopted paragraphs 1 and 2, then 3)*

I can now give the floor for explanations of vote. I call Mr Provan.

**Mr Provan.** — Madam President, I took note of what Mr Davern said in his opening remarks in the debate requesting the Commission to take particular note of other areas within the Community. I hope the Commission will take note of what he said about other

areas in the Community at present suffering just as badly as Ireland. We recognize that Ireland has a significantly different problem from other parts of the Community, in as much as the number of people employed in agriculture there is considerable. It is with these thoughts in mind, Madam President, that our group will be abstaining in the final vote on this motion.

**President.** — I call Mr Nielsen.

**Mr Brøndlund Nielsen.** — (DK) Madam President, I should like to give a brief explanation of vote. On this matter I agree with what Mr Provan has just said, that there are indeed other areas in the Community with equally serious agricultural problems. It is said that in Denmark annual incomes have fallen by 60 %. Yes, that is the right figure; the other day I noticed that an interpreter found it difficult to credit, but it is correct. I think we should realize that many areas have these serious problems, and we should perhaps purely and simply consider each country's case individually, and bear the result in mind during the price negotiations in the spring. I think it better that an attempt should be made to solve the problems at Community level rather than introducing individual national aid systems undermining the common agricultural policy which is undoubtedly one of the Community's main achievements. I therefore feel it is important that it is the Community that intervenes when these major problems arise, and I can therefore vote for Mr Davern's report.

**President.** — I call Mr Gautier.

**Mr Gautier.** — (D) Madam President, I would like to explain that, probably like many of the members of my Group, I will abstain from voting because, even as a member of the Committee on Agriculture, I have not been in a position, in the space of two days, to check all the data contained in this motion for a resolution, compare them with other regions in the Community and draw the necessary conclusions therefrom.

I personally am not prepared to vote on a relatively weighty decision under the urgent procedure and will therefore abstain from voting.

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

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

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<sup>1</sup> OJ C 346 of 31. 12. 1980.

<sup>1</sup> By means of the electronic voting system.

<sup>1</sup> OJ C 346 of 31. 12. 1980

**President.** — We proceed to the *Enright et al. motion for a resolution (Doc. 1-749/80): Meeting-place of Parliament.*

I call Mr Alber on a point of order.

**Mr Alber.** — (*D*) Madam President, without wanting to go over this matter once again, it is our view that this is a question of scheduling that affects all Members. For that reason it would be wrong for just a fraction of our number to take decisions on these questions. On behalf of my Group and with the support of 30 Members I therefore request, under Rule 33 (4) of the Rules of Procedure, that it be ascertained whether a quorum is present.

**President.** — Here is the relevant passage from Rule 33:

If so requested before the voting has begun by at least 30 Members present, a vote shall be valid only if a majority of the current Members of Parliament have taken part in it. Should this not be the case, the vote shall be placed on the agenda of the next sitting.

(*From the vote on the preamble, it appeared that a majority of the current Members of Parliament had not taken part in it*)

The vote is therefore held over until the first day of the next part-session — that is to say, until Monday, 12 January 1981.

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**President.** — We proceed to the *de la Malène et al. motion for a resolution (Doc. 1-759/80): Frontier-points in Italy for the customs clearance of steel products.*

I call Mrs Gaiotti de Biase.

**Mrs Gaiotti de Biase.** — (*I*) Madam President, I shall be voting against this motion for a resolution because the arguments put forward in its favour seem to me to be very strange indeed and of very little significance. Indeed, some examples that have been put forward — like Domodossola, Genoa, Piombino and Salerno — would seem to confirm the opposite. I also note what has been said by the Commission. An initiative that seems right to me and which this Parliament should favour is to make a further investigation. Here we work to a supranational mandate, not to defend our own national governments, but we cannot agree at all to this Parliament making accusations on the basis of such fragile and questionable evidence as that put forward in this motion for a resolution.

**President.** — I put the motion for a resolution to the vote.

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

#### 15. Fisheries policy

**President.** — The next item is a joint debate on — the report by Mr Kirk, on behalf of the Committee on Agriculture (Doc. 1-679/80), on

the proposals from the Commission to the Council (Doc. 1-359/80) for

- I. a regulation on measures to encourage exploratory fishing and cooperation through joint ventures in the fishing sector;
- II. a regulation on a common measures for restructuring, modernizing and developing the fishing industry and for developing aquaculture; and
- III. a regulation concerning the coordination and promotion of fisheries research and on the crisis in the Irish fishing industry;

— the report by Miss Quin, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council (Doc. 1-525/80) for a regulation introducing a tax on catches of salmon in the Baltic Sea by Community vessels (Doc. 1-658/80);

— the report by Miss Quin, on behalf of the Committee on Agriculture (Doc. 1-665/80), on

the proposals from the Commission to the Council (Doc. 1-511/80) for

- I. a regulation amending Regulation (EEC) No 1716/80, laying down for 1980 certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Sweden;
- II. a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Iceland; and
- III. a regulation amending Regulation (EEC) No 1717/80, laying down for 1980 certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway;

— the report by Mr Lynge, on behalf of the Committee on Agriculture (Doc. 1-690/80), on

the proposal from the Commission to the Council (Doc. 1-603/80) for a regulation amending Regulation (EEC) No 3179/78, concerning the conclusion by the European Economic Community of the Convention on future multilateral cooperation in the North-West Atlantic Fisheries.

I call Mr Kirk.

<sup>1</sup> OJ C 346 of 31. 12. 1980.

**Mr Kirk, (rapporteur).** — (DK) Madam President, on behalf of the Committee on Agriculture I am to present the report on the Commission's proposals for a common structural policy.

The fact is that a common structural policy in the fisheries sector is a vital component of the common fisheries policy we hope to see. During the last part-session we debated the proposals for the allocation of quotas amongst the Member States, and I feel that we must regard this proposal for a structural policy within the fisheries sector as a continuation of the debate on quotas. One of the objectives of the proposal is in fact for the Community via the common structural policy, to compensate some of the Member States that had suffered substantial losses in third countries' waters, and one way the Commission proposes to do so is by aid for exploratory fishing in developing countries' waters and aid for Community fishermen and owners to undertake joint venture programmes with some of the developing countries. I regard this as a realistic attempt by the Commission to solve some of the problems caused to the fishing industry in the Community by the extension of economic zones to 200 nautical miles in 1977.

IN THE CHAIR: MR VANDEWIELE

*Vice-President*

**President.** — Mr Kirk, I am informed there is a breakdown in the interpreting of your speech.

**Mr Kirk, rapporteur.** — (DK) Well, I don't think I need to repeat everything I have just said; but one of the main aims of the Commission's proposals is to compensate for the loss of catches in third countries' waters. I am glad to say that we in the Committee on Agriculture support this proposal, especially in this respect.

The report deals with three sets of Commission proposals. The first concerns measures to encourage exploratory fishing and cooperation with the developing countries through joint ventures. The second concerns a common measure for restructuring, modernizing and developing the fishing industry and aquaculture in the Community. The third concerns the coordination of fisheries research in the Community. The Commission proposes that 15 m EUA be set aside for exploratory fishing, 200 m EUA for the restructuring and modernization of coastal and other fisheries in the Communities and the development of aquaculture, and 5 m EUA for the coordination and promotion of fisheries research. Over and above that the Commis-

sion is maintaining the proposals submitted in 1976 and consequently in 1978 involving 131 m EUA for the adjustment of capacity in the Community's fishing fleet.

Those are in brief the amounts and the proposals we discussed. But, as I said in my introductory remarks, I feel that Parliament must consider these proposals in the context of the common fisheries policy and thus also of the allocation of catch quotas among the Member States. I am glad to see that Mr Gundelach has arrived, for we were rather concerned to note that the Council, which was meeting here at the beginning of this week, had been unable to reach agreement, as had been announced elsewhere, and that at present the common fisheries policy is still in a state of flux.

I feel that this House must express some concern because, when we were debating the quota proposals in November, we requested the Commission to come back to Parliament if it wished to change the proposals we debated in November and its own proposal of 22 October. The Commission had Parliament's general backing for its proposal of 22 October. I have not actually seen the new Commission proposals discussed by the Council, but I have been informed that new proposals were submitted, which makes, it rather strange to be debating fisheries here again today in ignorance of those Commission proposals and without the Commission having felt it worth consulting Parliament on the matter.

This Parliament represents the peoples of the Community. But one might well feel that, when the common fisheries policy is being discussed in the Council, the Commission really only wants to hear the governments rather than consult individual fishing interests in the Community.

In the proposal we debated last month the Commission had proposed that one country alone should bear about 153 000 tonnes of the reduction in the Community's catch in the North Sea, on the grounds of conservation. Parliament endorsed these proposals in the belief that this would mean a global solution. But I have been informed that the Commission has proposed further cuts to the effect that one single country's North Sea fishermen should bear 14.9 of the 38 % total EEC reduction in North Sea fisheries. We must reject this, and I am convinced that the structural proposals we are debating today cannot possibly solve the problems such drastic reductions will pose to the fishermen of one Member State.

The Committee on Agriculture wishes to see certain amendments to the Commission's structural policy proposals, in those articles dealing with exploratory fishing and cooperation. We are proposing changes to Article 6 as we feel that the 33 metre lower limit set by the Commission for vessels to obtain aid for exploratory fishing is too high, and we propose reducing it to 30 metres. We also feel that the Commission would

**Kirk**

encounter difficulties over Article 6 (c) in which it requires one or more scientific observers to be carried in vessels taking part in exploratory fishing benefiting from Community aid. We felt that it would be impossible in practice to obtain such observers and we therefore propose that they should help prepare the voyages but not necessarily be on board.

We are also proposing a change to Article 11, concerning the modernization of fishing vessels in the Community, which we feel should include efforts to improve their fuel consumption. The Community should also provide aid for such improvements in the existing fleet.

We are proposing some changes in Article 6 (1)b of the proposal concerning coordination of fishery research; and we feel that the 5 m EUA set aside for research and the coordination of research between the Member States should be used by the Community *inter alia* to provide the data required to regulate fishing on a multi-species basis. Much more information on the subject is needed so that decisions on the future exploitation of resources bear more relation to what is actually happening in the sea. That sums up the small number of changes we have to propose. For the rest I should like to say that the Committee on Agriculture largely supports the Commission's proposal, and I now place the report before Parliament for debate.

(Applause)

**President.** — I call Miss Quin.

**Miss Quin, rapporteur.** — Mr President, I shall be fairly brief, because my reports are really of a minor nature and don't have the importance of Mr Kirk's report on the structural policy.

The first report I have to present to you concerns the Commission proposal on taxes to be levied on catches of salmon in the Baltic Sea. The Committee on Agriculture, when considering this proposal, welcomed it, because it represents a change of approach by the Commission to this question along the lines suggested by the Committee on Agriculture and Parliament in an earlier report which I prepared on the subject. The reservations that the Committee on Agriculture expressed this time, however, include a request for more information about how the costs to Community fishermen would be calculated and also a reservation about the lack of consultation. It does seem that very often the people who are to be affected by Community legislation put in a position of fighting a rearguard action instead of having been sounded out in the first place. If they were sounded out in the first place, I think more satisfactory legislation would often be the result.

As far as my second report is concerned, it deals with regulations governing certain fishing measures relating to Sweden, Iceland and Norway. The Committee on Agriculture again adopted the report unanimously and in the course of its consideration expressed many criticisms, which by now must be depressingly familiar, about the way many of these agreements are rushed through. In fact, looking at the agreement relating to Sweden and checking up on the way we discussed it in the past, I discovered that on each occasion during the past three years when this particular regulation had been considered the Committee on Agriculture and Parliament had been forced to rush this through without really adequate consideration. The committee and myself as rapporteur protest very strongly about this method of doing things. In fact, because we feel so strongly about it, we have asked the Legal Affairs Committee of the Parliament to look at the legal aspects of this and to make recommendations to us. The members of the Committee on Agriculture and of the fisheries Working Group take their work very seriously and are prepared to look at the various proposals in considerable detail, but we do not wish to be taken for granted or given things to consider right at the last moment when we cannot give a proper, objective and detailed consideration. So I would make a plea to the Commission once again on this.

We really are getting tired of being asked to agree to retrospective legislation on which we ought to have been consulted in the first place.

**President.** — I call Mr Battersby.

**Mr Battersby, deputy rapporteur.** — Mr Lyngé has asked me to present his report. He had to go back yesterday to Greenland to his family and his people and apologizes for his absence.

This report relates to the statistical sub-areas in the seas between West Greenland and Canada and the definition of the Median Line between Canadian and Greenlandic waters. The Council regulation confirms a previous regulation which terminates this year and ensures the continuation of this international agreement.

It is a non-controversial regulation and is to be welcomed. These waters are vital to the livelihood and economic survival of the 50 000 inhabitants of Greenland — 50 000 Greenlanders in our Community. Definition of their exact economic boundaries is essential if control and surveillance is to be effective and stocks are to be conserved against anarchy, against overfishing by other nations. The Community has undertaken to develop the Greenland fishing industry, and we must see that Greenland's interests are protected, both physically and legally.

**Battersby**

But — and I am so grateful to Miss Quin for what she has just said — once again the Council has treated this Parliament with contempt. The Council knew on 20 March that it had to present this regulation. They approached it on 17 November, eight months late, crying urgency. It has taken us less than one month to go through the whole procedure. But we shall not always be able to do this and we will not always do it, just to please the Council and become a rubber stamp.

So would the Council — I think this is about the tenth time I have asked this — present these documents in good time and show greater care and discipline and stop treating us as a mere rubber stamp? And also in future, when they produce fishery agreements, would they use the right vehicle? Fishery agreements come under Article 43, not Article 103.

Why is it that we can always find the political will to resolve external problems in fisheries, but never to solve the internal? It is with profound concern that we learn that once again the common fisheries policy negotiation has run aground on the mudbank of nationalistic intransigence. One nation, I hear, has blocked progress, has refused to go on talking to achieve the necessary compromise.

Now it does not benefit any one country to prolong this agony, to prolong the over-fishing and to prolong the insecurity, because fishermen have to plan, they have to invest and they have to survive in the most dangerous job in the whole world. The talks must go on. The compromise and the agreement must be made and it has got to be made soon, because time is running out very quickly.

I welcome the fact that the Council has decided to extend the present conservation measures to 31 January 1981 and I exhort the Commission and the Council to prepare and present without further delay the new measures for 1981. Parliament's fisheries working group and the Committee on Agriculture will give them every support, as a matter of urgency, to get this regulation through. We have seen enough illegal and irresponsible directed fishing for a protected species in the last few weeks, and if in the light of experience the Council feels it is necessary to tighten up the legal framework, I am sure they will have our full support.

In conclusion, Mr President, I would like to recommend Mr Lynge's excellent report to this House for their approval.

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

**Mr Josselin.** — (F) Mr President, ladies and gentlemen, on 21 November I expressed our hope to see the Council act on the commitment it had entered into in May, namely that of reaching an overall agreement on

fishing before the end of this year. The deadlock reached the day before yesterday in Brussels fills us with anxiety because of the gravity of the crisis that continues to disturb the fishing sector. I hope that in the next few weeks, in spite of the difficulty of this question, a solution may be found and in particular to the problem of historic rights on which recent negotiations have foundered.

Today, Mr President — I would like to follow your instruction to be brief — we have the Kirk report on the Commission proposals for restructuring measures in the fisheries sector. You can all understand that the word 'restructuring' calls forth misgivings, because whenever it has been used up to now it has meant lost jobs.

Bearing in mind the interests of the workers in my country, you will all understand that my first concern must be to safeguard employment. It is with this major concern in mind that I have tried — already in committee but also by tabling amendments in Parliament — to ensure that the Commission's proposals do not adversely affect the jobs of the Community's fishermen, and not just the fishermen as such but all those who work in related jobs. The number is large. To quote just one example, in Boulogne, France's biggest fishing port, there are 1 800 fishermen who go to sea but also 6 500 people working in the fish processing industries. In that connection, in spite of the amendments that the Commission has been willing to adopt and which Mr Kirk has incorporated in his report, the social dimension of this report is, to my mind, inadequate. The amendments we have tabled and which you will be asked to vote upon in a moment will undoubtedly decide which way we shall finally vote.

We are perfectly aware of the need for less intensive exploitation of Community resources which has been excessive in the past and, as we know, has caused fish species to become depleted. They must be preserved; the future of Community fishing is at stake. The question is how to operate this policy of less intensive fishing and a policy of modernizing the fishing fleet.

With regard to the former we can tell you now that we are in agreement with the proposals for financing expeditions to find new fishing grounds and new species. I think that is a good policy.

As regards encouraging cooperation agreements, I would simply like to state our concern that these should be temporary measures, because all of us would like to believe that the Community waters are in the process of restocking themselves through the protection of resources policy and that we ought not to keep away for good those boats which — temporarily, in the framework of cooperation agreements — might be put at the disposal of other countries.

With regard to modernization measures, I make no secret of the fact that, in this field, the reduction and

**Josselin**

laying off measures would mean too many lost jobs for us to accept them. Hence our proposal, in an amendment, for 'redeployment'. We cannot accept this idea of standing down a large number of fishermen which the report seems to argue for. In this connection I hope that the House will vote in favour of the amendments which I have tabled.

I would also like to be sure that the Commission's measures will not raise obstacles to the access to the profession of a certain number of young would-be fishermen or result in their falling into heavy debt, particularly when we know the heavy financial burdens upon them. In this connection, whilst thanking Mr Kirk for kindly referring to the astronomic increase in the price of engine fuel, I felt I had to table an amendment recalling the fact that this House approved the principle of assistance for fuel purchases at its last part-session. The fishing-diesel idea is gaining ground. I feel it is essential to take it further, though remembering, of course, the need for gradual harmonization of policies in this respect.

With regard to aquaculture, Mr President, ladies and gentlemen, whilst the report is right to stress the efforts to be made under the headings of research, health measures and improving trade, we should not nurture too many illusions. Its growth will necessarily be slow and it would be wrong to believe that the seamen whose jobs a cruel restructuring policy would bring to an end could be immediately converted to fish farmers.

Lastly I would add that, as representative for the Brittany region, I am not greatly touched by Mr Kirk's reference in his report to the risks of pollution and the absolute need first of all to protect Community waters and their quality. However, Mr President — and this will be my last word — no policy decision has any meaning without its translation into financial terms, and the appropriations mentioned — these 350 million EUA reduced, in the end, to 300 million — seem to me wholly insufficient. Confining myself to what is to be done for the fisheries — I would just mention in passing the need also to mobilize the Social Fund, whence the amendment I have tabled to that effect — and just to confine myself to the modernization measures, I have been told that the 300 million would hardly be enough simply to meet the needs, for example, of the United Kingdom. I hope that this political will which Parliament wishes to exercise will, more than in the past, be translated into large appropriations without which the fishing world will really not believe in Europe's intention to solve the very severe crisis it has been in for so many months.

**President.** — I call Mr Clinton to speak on behalf of the Group of the European People's Party (CD Group).

**Mr Clinton.** — Mr President, I should first like to pay tribute to the various rapporteurs who have presented their reports here this morning. I know that an immense amount of work has gone into these reports, and we should all feel indebted to the various people concerned.

I want to join with those who already this morning have expressed regret at the failure of the Council of Ministers over a number of meetings recently to reach agreement on a common fisheries policy. I think it is fair to say that this Parliament has done an immense amount of work in the last few months on every aspect of the fishing industry, and this was all intended to help the Commission and the Council in their work towards getting a common fisheries policy. I know that the Commission has put an immense amount of work into this and I simply fail to understand why it is not possible for the Council of Ministers to see the extreme importance of arriving at a common fisheries policy for Europe as a whole. This was emphasized by Mr Battersby, who expressed his concern about what will happen in the absence of such a policy. Fishing is quite an important sector in the Community and it certainly has not got the attention it deserves. Neither has it got the money it deserves, and all of us must express our regret at this.

Combined with these reports this morning is a resolution on the crisis in the fishing industry in Ireland, and I intend to confine my remarks to that particular part of our work here this morning. Members may recall that attention was drawn to this on 8 February last in a motion for a resolution tabled by the Irish Members of the Socialist Group. It must be said that the fishing industry in Ireland has faced exceptional difficulties during the past two years, for a number of reasons which I will try to explain.

To begin with, the industry in Ireland is essentially an inshore industry and completely underdeveloped. The position of the Irish producer is the weakest within the EEC, experiencing the lowest market prices and the lowest withdrawal prices in the Community. In addition, Irish market prices have not increased in real terms over the past three years and in some cases have actually decreased. At the same time, fuel costs are the highest in Europe with the exception of Italy. To add further to these difficulties, the Irish market has been flooded with subsidized imports of fresh and frozen produce from third countries. Whatever steps have been taken by the Commission to prevent this type of dumping have certainly not been effective. It is obvious that Article 22 of Regulation 1716 needs a more effective trigger mechanism which will bring it into operation to alleviate the problems for which it was designed. The present system takes protective measures only when the damage is done. This has been due mainly to the reluctance of Member States to act on information supplied to them and also to the fact that even when the Commission has been informed of disturbances in the market, there is no statistical evid-



**Clinton**

ence to back up the Member States' case, as only impressionistic views will be available at the time of the disturbance.

Irish fishermen have been particularly hard-hit by the run-down of stocks of certain species of fish and the conservation measures taken to rectify this. In some cases almost the complete livelihood was lost, and not sufficient account was taken of this. We all appreciate that these conservation measures are essential, but they should not be applied on a blanket basis. Fishermen with small boats and restricted fishing possibilities should get special consideration, and this was the unanimous view of the members of the Committee on Agriculture.

Irish negotiators have consistently held that it is essential for us to have an adequate exclusive coastal band if we are to develop the sort of fishing industry that a small island country like ours should always have had. It must be remembered that we are starting many years behind other Member States, that we are still the weakest member and that particularly in the fishing areas employment is very badly needed. Operating costs have soared, and EEC withdrawal prices now bear no relation to the required market level. As I have said, we are all hoping that a Community policy will be agreed before 1 January, but that looks very unlikely now. I am therefore appealing for special consideration for areas like Ireland that have special problems and are very dependent on fishing. I should also have referred to the fact that our home consumption market is very small and that we are farthest removed from the main market.

I conclude with one final point. Producer organizations should be given greater responsibility for bringing order into the market and should be supported by channelling all aid through them. As things stand at present, more often than not they are seen to be legislating against their own members, and this should be rectified without further delay.

**President.** — I call Mr Harris to speak on behalf of the European Democratic Group.

**Mr Harris.** — Mr President, may I voice my dismay at what has happened this week with the apparent breakdown of the fishery negotiations? All sides of the House deplore the breakdown. I am sure the message we send out to the Commission and to the Ministers from our own countries is that they must try again to resolve this long-standing dispute, that there must be an improvement in the atmosphere surrounding these talks; and that basically calls for trust. I am afraid that the element of trust is badly missing at the moment.

Earlier last week I handed in to the Commissioner's office a dossier which, I submit, provided ample evidence of the way in which one country was ignoring the

restrictions on herring fishing. I won't go into that now. The main point is that I would like the Commissioner to give a reply and to tell us what is happening in the Commission. If countries get away with ignoring the restrictions that exist at the moment, there is no hope at all of getting a common fisheries policy that will command respect and have the trust of all the Member States.

I wish to welcome Mr Kirk's report in particular and to compliment the other rapporteurs. I welcome in particular Mr Kirk's report because I think that the restructuring of fleets is the most important element in a common fisheries policy.

I believe most fervently that we have to consider the future of the small inshore fishermen. I welcome in particular the proposals that the restrictions on grants to fishing-boats should be lifted so that small fishermen can modernize their boats. I think we have gone completely in the wrong direction in recent years. The trend has been to build ever bigger boats. That policy is wrong. It has been proved to be wrong because of the Icelandic situation, because of the fuel costs and because of the desperate need to conserve stocks. I believe we have to think small from now on and make sure that we have an efficient inshore fleet.

**President.** — I call Mrs Le Roux.

**Mrs Le Roux.** — (*F*) Mr President, the restructuring measures in the fishing sector proposed by the Commission and in Mr Kirk's report — which goes even further — are an extension of earlier policies whose effect is to increase the difficulties of the workers in that industry.

The few social measures proposed, even when bolstered by Mr Josselin's well-advised amendments, cannot compensate for the dismantling of this sector in my country, the responsibility for which is that of both French and European policy. One thing that can be said about this text we are asked to adopt today is that it is plain. What the Commission, in fact, proposes is nothing more nor less than to scrap ships — aid for disinvestment. After the Davignon plan of bitter memory for steel, textiles and shipbuilding, here is the plan to demolish the fishing industry.

I have already taken the opportunity to tell you what the French Communists and Allies thought of the so-called protection of resources on which the Council based the unfair quotas it proposed for our country. I would like to add, incidentally, that the difficulties there were in getting these quotas accepted — what you have called the breakdown in the negotiations — show that the struggle of the fishermen and the Communists' proposals are finally bearing fruit. I repeat, these measures proposed today do not make any real protection of resources possible. Nor will they

### Le Roux

enable the serious fisheries crisis to be solved. You say there is a crisis of overcapacity and yet, with your joint enterprises with third countries, you plan to import fish into the EEC which will not even have to go through the feeble customs barriers still in operation. Redeployment is another word you easily use. These joint enterprises you propose are not just dangerous for our fishermen. They will lead to the exploitation of cheap labour, and that will reduce the incomes of the fishermen in our countries. In this way you bring neo-colonialism onto the fishing grounds. The shipowners, frozen food firms and the heads of the big agro-food groups must be rubbing their hands. You say no to national aid, though it is your own decisions that cause the distortions. We saw this in French production which has fallen primarily because of the quotas introduced since 1970. You claim you want to help aquaculture, but you impose conditions which will open this activity up to the big companies and eliminate all the fishermen who could have taken up a new job or supplemented their income. We want real aid to research in aquaculture. This really is an industry with a future, but the research must be given to the countries' institutes and universities and not directly benefit the agro-food multinationals which no doubt think this is the way to complete the circle by feeding fish and shellfish with their fishmeal — fish caught before they should be. You ask for fuel savings, but you forget — forget in inverted commas — to propose that the oil companies, getting shamelessly rich out of the hard work of the fishermen, should be hit in the till.

Last of all you want to make the producer organizations the enforcers of the decisions taken in Brussels. We reassert, with the utmost firmness, that the producer organizations are and must remain national.

Mr Kirk's wishes about helping young people buy their boats and equipment are just pious, hypocritical hopes. In reality your restructuring proposals mean concentration and closures. The expansion you say you want would mean an end to a large part of the fishing activity in the nine Community countries and in the countries hoping to become members.

For these reasons the French Communists and Allies will vote against the Commission's proposals and Mr Kirk's report.

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

**Mr Brødlund Nielsen.** — (DK) Mr President, my Group does not have much speaking time so I shall concentrate on some individual aspects of structural policy. However, there is one thing I cannot let pass, on a slightly different subject. Mr Kirk has just mentioned that the Commission has failed to send us the quota proposals. I am therefore tempted to say

quite bluntly, as Mr Gundelach is present, that I am sometimes amazed at people's conception of Parliament and its role. It happened again recently when I learnt, if press reports are to be believed, that the Commission had produced a paper describing its views on the common agricultural policy. This document had been widely debated in the press, including the Danish press. I, as a Member of Parliament, have not seen it. I do not propose to pursue the matter here, but it does raise the fundamental question of how Parliament's role is viewed.

I shall start by considering a couple of individual points. In general terms, a common fisheries policy will have to include a structural policy, as it will involve changing conditions for the fishing industry if fish stocks are to be conserved and exploited in a scientifically responsible way. Parliament has discussed these matters in the past in some detail; if such comprehensive operational changes have to be made there have also to be structural various forms of intervention.

I shall not attempt to deal with every point, but I have one suggestion which might provide finance for what has to be done: namely paragraphs 20 and 21, concerning the pollution of the sea by chemicals and the obstructions to fishing represented by the offshore oil industry. A long time ago I raised these matters in a letter to the Commission. I received an answer, but I do not really feel that it amounted to much. I believe that in Norway the offshore oil companies take a very generous attitude towards aid for fishermen suffering losses from undersea oil drilling. I do not see why this should not be considered in more specific terms. The oil companies clearly have the means to provide a degree of support, especially as it is also clear from the report that fishermen are incurring substantial extra fuel costs with rising oil prices.

I feel we shall have to take up the question of the chemical pollution of the North Sea in particular, and elsewhere. I have recently been concerned to see the authorizations granted to Member States for the types and quantities of chemicals that may be dumped in the North Sea. I am sure that these substances are dangerous. The report takes the matter up, and I wholeheartedly support it for doing so.

I should also like to mention paragraph 22 which regrets the absence of adequate measures to encourage the consumption of fish and improvements in marketing structures. We must lay more and more emphasis on fish suitable for human consumption, as it has such good food value. It is sad to see that the current rationalization of the retail trade so frequently reduces the consumer's opportunities of buying fresh fish. I therefore hope this might be another way, within the structural policy, of indirectly supporting the fishing industry.

**Brødlund Nielsen**

I wanted to raise a few more points but I understand that my time is just running out. I know that you, Mr President, have been a speaker in fisheries debates in the past and know how important the matter is, but I shall conclude. I have unfortunately run out of time, but I recommend voting for the resolutions.

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

**Mr Remilly.** — (*F*) Mr President, in his report Mr Kirk asks the Council to take vital steps for the development of a viable Community fleet. This proposal by the rapporteur is certainly commendable and deserves the utmost consideration, but I feel it would be useful to draw the House's attention to a basic problem that is dealt with in the report but calls for some further clarification for its full understanding. It is the fact that human capital in the fishing industry is limited. Numbers are steadily dwindling and, if nothing is done, in a few years time there will be plenty of fish in Community waters but no-one to catch them. This is clearly one way to reconstitute reserves, but it also means handing everything on a plate to the third countries who would be able to fish our waters and then sell us their catches. So, in the next three years — the time it takes to restock — the vital need is to do everything we can to conserve our present production capacity.

Take the case of the fishing fleet I know best — the French middle sea fleet. Today, France — and in France mainly Brittany — has the biggest number of commercial fishermen in the Community using modern fishing craft. These are high-performance ships built to fish in Community waters. The crisis in this sector is forcing the owners to part with their finest vessels which are often sold to competing third countries with the economic consequences I have just outlined. Another consequence of these compulsory sales is that commercial fishermen are driven into unemployment. Does not the loss of these men rule out any possibility for the Community of putting new fishing craft into commission in the future?

Secondly, the greatest consideration should be given to the need to strengthen the protection of European producers in every way, and in particular by instituting a minimum import price equal to the withdrawal price prevailing in the producer organizations plus forwarding costs. Everything should also be done to strengthen the authority of the producer organizations and in particular to see that, by the extension rule, it is made compulsory for non-members of the producer organizations to comply with withdrawal prices and fishing levels.

Ladies and gentlemen, in the crisis we are passing through, we must not neglect the interests of the

Community in its fisheries. Of all the industrial activities threatened by foreign competition, fishing has the great advantage of being able to remain European.

**President.** — I call Mr Skovmand.

**Mr Skovmand.** — (*DK*) Mr President, the proposal submitted by the Commission concerning salmon in the Baltic is far more practical than the proposals they put forward a year ago. That is probably due in part to Miss Quin's excellent report on the subject. I can therefore understand her welcome for the improvements.

However, one aspect on the proposal still calls for concern. That is the Commission's attempt to sneak in a new form of tax falling outside the Community's three sources of income: duty, agricultural levies and VAT. The matter is not improved by the Commission's referring to paragraphs in the Treaty of Rome which in my view in no way entitle it to levy a tax of this kind.

The sums involved in this proposal are not large, at most a few million kroner a year. But let us not be fooled, it is the precedent that counts. Next time the Commission might try to bring in a tax to net them thousands of millions. We in the Danish People's Movement against membership of the European Community wholeheartedly oppose this unacceptable manoeuvre. We therefore intend to vote against the proposal.

**President.** — I call Mr Kavanagh.

**Mr Kavanagh.** — Mr President, standing in my name is a resolution tabled a year ago, dealing with the crisis in the Irish fishing industry. Let me say that I never intended the resolution to be as broad as that, because we should have to deal with the crisis in the fishing industry for the whole Community. The resolution standing in my name deals with a group of fishermen whose fishing activities are as old as the dawn of history. These are the inshore fishermen, the passive fishermen of the Community. Recently, when I was in Venice I saw the same methods being used there as I see around certain parts of the coasts of Ireland. So I can say that this is a Community problem.

These fishermen have usually fished within a mile or two of their own base. Their method, as I say, is passive, they stake nets, they use drift-nets, they work in peripheral areas and the economy of these areas generally depends on the activities of these fishermen. Because they are fishermen, the rules of the Community apply to them. They are not responsible for the crisis in the fishing industry in the Community; they are not the people who over-fish the Community waters; nevertheless these fishermen, along with

**Kavanagh**

others, have to accept the problems that have been created by over-fishing. Their problems need to be dealt with separately: a special regime must be created for these fishermen.

Amendment No 7, by Mr Battersby, to the Clinton report gave hope that certain areas of the Community where they operate would be reserved for their type of fishing, and that the rules applying throughout the Community to the hunters of fish would not be applied to them. It is for their needs and for their continued existence and the existence of the peripheral areas that depend on their fishing that I have put down a resolution for consideration by Parliament.

I would never at this stage accept that we should discuss the whole problem of the Irish fishing industry in a simple resolution, because that has been done already. I want to bring to the attention of Mr Gundelach, who must be thoroughly fed up with a diet of fish he has had over the last month, the problems of one small section of the community who seem to be forgotten by all the Community rules. Because of the limited time I have, I certainly cannot go into all the problems. But the resolution I have tabled along with my colleague, Mrs Desmond, who has many areas in her constituency which have these type of fishermen, draws attention to the need for separate treatment. A basis for solving their problem may therefore be found in the Battersby amendment to the Clinton report. Obviously an exclusive Community fishing-limit would also meet their needs. But I am specifically talking for them and the areas they represent. I hope that the Commissioner will take their problems into account when he finally arrives at a solution to the fishing problem in the Community.

**President.** — I call Mr Nyborg.

**Mr Nyborg.** — (DK) Mr President, the situation in the fishing industry is deteriorating day by day. For years now common guidelines for a Community policy have been sought in vain. The budget compromise with the United Kingdom was based on the assumption that the fishing industry's problems would be solved and that she would not as usual sabotage a reasonable Community fisheries policy. The last Council meeting provides no evidence to support this assumption.

In the current debate on fisheries it is difficult to discern any serious attempt to establish a reasonable Community fisheries policy, particularly in the North Sea. Most Member States' inclinations seem to be to make one country, Denmark, pay the full cost of a North Sea fisheries policy, as the Presidency is proposing that Denmark should bear 96 % of the total reduction in catches. This is just not reasonable. Of course some compensation should be given for authenticated loss of rights in third countries' waters, but it is unreasonable if it involves such drastic changes in fishing patterns that vessels that have always fished

in the North Sea are forced out without compensation to make room for vessels which have never fished there before.

Concerning the structure of industrial fishing I would point out that if it is cut by virtue of changes to the rules on by-catches, the fleet will go over to fishing for human consumption. More of these fish will therefore be caught, involving structural change in this sector.

Unfortunately my time is very short. In conclusion I should like to say that more than 30 Members of this Parliament recommend the setting up of a separate fisheries committee, reflecting the importance of the fisheries problem, now and in the future.

**President.** — I call Mr Gautier.

**Mr Gautier.** — (D) Mr President, ladies and gentlemen, we are all pressed for time. I too have to leave shortly or I shall miss the last train, so I shall just make two very brief points on Mr Kirk's report and the Commission's proposals.

The basic problem with all the structural proposals is the lack of usable data. I personally would have thought that the Commission might for once have produced a rational structural report dealing with all the problems like on-shore processing, long-term consumption trends and questions of access. This report ought to have included an analysis of in-shore and middle sea fishing in the regions of the individual countries and the corresponding measures derived from that analysis. At the moment all we have is a proposal for certain measures plus a few statistics that leave me still in doubt as to whether this is really supposed to be a coherent policy for the next five years.

Nevertheless, the proposal is here before us, and I believe, from my incomplete knowledge of things, that all in all it is acceptable. But there is one problem that I would like to raise: to what extent can the middle sea fisheries, which have some importance in certain Member States, benefit from the structures proposed? I would point out that, especially for the middle sea fisheries, paragraphs 9 and 10 will generate a number of difficulties because they would impose some disproportionate costs and exclusion from assistance measures which I, personally, cannot endorse.

A last comment on the question of social policy. Mr Josselin has already explained how important social policy is in this context. I believe that, during the ten years we German Social Democrats have been in government, we have shown that we are able to frame a sensible policy in this field. I believe that in various ways it is a model, but we have to ask ourselves what sort of a social policy is wanted with this restructuring and what role the Social Fund should play. To my

**Gautier**

mind, these are unanswered questions that are raised in paragraph 6 of the Kirk report and in an amendment tabled by Mr Josselin of my Group. Specifically, the question is whether we want to use the Social Fund as a kind of unemployment relief without, in fact, any structural changes being made. In the fishery report there is one highly important basic question. I do not think I can lean in either direction in this matter. My view is that social policy should be applied where adjustment has to be made.

Social policy also includes safeguarding the survival of the various onshore activities. Because of restricted access and limited quotas, our own fishermen cannot catch enough fish; so we must let in imports and on terms that allow the processing industries to continue to exist. We cannot just talk about social policy and at the same time say we are raising our customs barriers and in that way destroying jobs. Social policy also means offering fish at prices consumers can pay. Of course, we can say we want to safeguard high incomes in the business, but if consumers cannot afford fish any more then the whole of our social policy is futile. We must also create the market organization conditions so that the social policy is also reflected in the various other policies being implemented in the fishing areas.

I therefore appeal to the Council once for all to abandon certain nationalist stances and rally come to an agreement. We cannot request urgent debates in Parliament on every possible issue just because the Council shows itself to be incapable of solving these problems itself. I would bet that, come next July, the Council will still be incapable of taking a decision — even after we have had to deal with all this here by urgent procedure.

**President.** — I call Mr Kirk.

**Mr Kirk, rapporteur.** — (DK) Mr President, I have to speak briefly again, as I have tabled an amendment to Miss Quin's report. I should first like to thank her for her report, and to thank the Commission for amending its proposals for this tax on salmon catches. But I feel that the Commission's proposal does pose certain problems, and as Miss Quin unreservedly supports it, I have tabled an amendment to paragraph 2. My reason is that no ceiling is set to the amount the salmon fishermen in question may be called upon to pay. As the Commission's calculations are based on a great many unknowns, I do not consider it reasonable that Parliament should adopt and accept it without at least setting an upper limit to the amount these fishermen may have to pay in tax. I am therefore proposing that we endorse the Commission's proposal if the tax per kilo is limited to a maximum of DKr 1.94. That is the figure quoted in the proposal, and it means that the Commission cannot raise the tax above this level.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr President, before I address myself to the important subject under discussion, I would like to apologize for not being able to be present for the other matters of importance in the agricultural field last night. There was an urgent meeting of the Committee on Agriculture to deal with the problems that had to be resolved in order to permit Greece *de facto* to enter the Community as foreseen on 1 January, and I was therefore unable to be present. Fortunately the difficulties concerning Greek accession have been resolved and Greece will accede fully on 1 January.

(Applause)

Mr President, I would have been a great deal happier if I had been able on this occasion to make a similar announcement in regard to the efforts to finalize at least the fundamental principles and main points of the common fisheries policy, on which a special Council meeting was convened for the Monday, Tuesday and Wednesday of this week.

As you are all aware, the Council was not able to come to a final conclusion and the endeavours have to be continued. In the jargon used on such occasions, the clock was stopped, and the Council will be reconvened at the earliest possible date or when the President-in-Office feels that further political contacts make resumption possible.

Now these are not just fine words. They express a realization of the inescapable fact that Europe cannot enter 1981 without the adoption of a common fisheries policy. What I have stated in this regard in this House on several previous occasions is now truer than ever. We cannot assume that if there is not a decision, then matters can continue more or less as they were — not too good, but on the other hand things worked. There will be, in a situation which as already critical, very serious setbacks for the fishing industry, whether it be on sea or land, if that policy is not decided upon and implemented by early 1981 at the very latest.

The external aspect is no longer any brighter, Mr Battersby, than the internal aspect, and the two are actually closely intertwined. Without a common policy we shall not be able to continue to fish in Norwegian waters, where we still have a net possibility of fishing. We shall not be able to avail ourselves of the additional fishing possibilities we have negotiated for ourselves in Canadian waters, and we shall have a horrible scramble in the North Sea. Reference has been made by an honourable Member to the overfishing of herring, for instance. This is a very glaring example. I can mention other examples of overfishing which is taking place. By the way, I would like to tell the honourable Member who raised this question that

### Gundelach

the Commission has taken all the action within its power *vis-à-vis* the two governments responsible.

To make a further point in regard to the adoption of a common fisheries policy, the Commission cannot, for want of such a policy, guarantee the necessary equitable and strict control of the observance of common rules for fishing throughout Europe. This is part of the package which is to be adopted by the Council. There is the question of dealing with the thorny issue of access and thus of giving reasonable protection to those fishermen who are most dependent on coastal fishing. The Commission has made proposals in this regard which it considers to be of vital importance for the adoption of the common fisheries policy. There can be no fisheries policy without that element.

Naturally, we have difficulties with quotas when Parliament insists upon expressing a common European viewpoint. I must, however, make the comment that when I listened to your debate today and when I listened to it a month ago I heard the same national views in regard to quotas in this Chamber as I heard in the Council. I did not expect anything different, Mr Scott-Hopkins. That is, of course, why the Commission has to shoulder its responsibility as the one institution that does its very best to be objective and make plans in a reasonable manner. The Commission has not formally changed its proposals, but, as I said when I introduced these quota proposals, they were intended as a beginning to negotiations of a very difficult nature. Quota discussions always are. It is all the more difficult insofar as when we have decided on the quotas, they have staying-power in percentage terms. We are settling something for years to come, and therefore it is not an easy matter and cannot be taken lightly. It has to take into account, in accordance with the Council decision of 30 May on a number of related matters, losses in third countries, the classical fishing pattern and The Hague preferences decided upon in 1976. Not easy!

On top of that comes the demand in Mr Kirk's resolution that the Commission should take into account the concept of industrial fishing. This paragraph was not the clearest of paragraphs, but the issue was very clear. On this issue of industrial fishing the Commission has made not, as Mr Kirk has suggested, a new proposal but a calculation of how these quota proposals would have to be adapted if this element in the resolution were to be taken into account. That would lead, as we have heard today, to a considerable reduction in the quota figures proposed for Denmark, some reduction for the Netherlands and some increases for the three countries in particular who have been losing fish in third-country waters.

The only compromise proposal made in protest was made by the Presidency and the Commission together in the course of the meetings on Monday, Tuesday and Wednesday. We withdrew that proposal, because access and quotas have to be dealt with in parallel, and

since we could not get any further on access there was no point in venturing forward with compromise proposals on quotas. We have, then, to go back to square one, and we will start off from square one again with these two issues, which are intimately linked to one another, moving in parallel. And so it must be to the end.

I would like finally to say on quotas that the final guideline for arriving at a sensible solution is to bear in mind the percentage of fishing available to European countries for the main species, let us say, over the last 7 or 8 years since the enlargement of the Community. If you take those figures, then the kind of figures being discussed in the Council do not show such a disproportionate degree of loss from one country to another.

For instance, against the interests of Denmark, they show a fair distribution of the losses in fishing possibilities, and that is the final test. It is in all the written calculations, when you see at the end how this or that country fares, when you compare the total share they get from fishing possibilities today with the share they have had on average over the last 7 or 8 years. If you apply this common-sense test, then I must say to the Danish Members in this Assembly that they will have to put their arguments in a somewhat more moderate form. Only in that more moderate form will it be possible to come to a solution which will also be acceptable to Denmark.

In connection with this common fisheries policy it has been pointed out today, and at the last part-session as well, that we must come to grips with a new market organization, because the one we have dates back to the early 70s, to a totally different fishing situation where the 200-mile zone had not been introduced, where the Community was only a small importer of fish. Today we are one of the biggest importers of fish in the world.

As I have said previously, there is no question of turning the Community into a big protectionist bloc in regard to fish. It is a question of finding proper protection against the Community becoming the biggest dumping-ground for fish in the world. Fair prices, that is what we are asking for.

Proposals in this regard have been made. The implementation of these proposals in all the particular directives and regulations can wait — that does not have to be done before the 1st, 2nd or 3rd January — but the principles of this market organization must be adopted and it is, by the way, also a condition of our accepting the agreement with Canada which is, on the one hand, fishing opportunities for our fleets in Canadian waters and some better access, compared with other third countries, for Canadian fish to Community markets.

Then we come to the specific item on the order-paper today: structural policy. As already indicated in the

## Gundelach

decision of 30 May, a commonly financed structural policy or set of structural-policy measures must also be an integral part of a common fisheries policy. One of the honourable Members asked if the Commission knew enough to say exactly how this policy should be established with regard to our fishing possibilities in the future in coastal waters, on the high seas, new experimental fishing, etc. etc. No, we do not. We only know a little. That is why part of this proposal is for money for experimental fishing, for finding ways and means of using new fish varieties, new fishing grounds, to find out more, but on a Community basis. We must harmonize the efforts of individual Member States for the benefit of the Community as a whole, because when we have a common fishing policy we shall no longer have seven different national fishing policies, and we must also unite our efforts to avoid the misuse of resources in this field.

But we do know today that we have to adapt the size and type of our fleet to our fishing possibilities, and here I would say to the honourable Member of the French Communist Party that there is no question once again of a cutting-down policy. It becomes a bit too much of a charade to listen to the same word each time you propose something which involves restructuring. In actual fact the proposal contains more money for building ships than it does for getting rid of some old ships of a type no longer fitted for modern fishing.

Adapting our fleet to the type and scope of fishing is an important exercise. It is also important to have in the structural context money which is available for joint ventures in third countries in order to expand further our fishing possibilities in third-country waters. This we discussed at some length at the last part-session of Parliament.

Other things are also desirable — assistance for consumption and various other things — but what I have mentioned are really the priority items. You in Parliament, we in the Commission, and the Council, of course, have to bear in mind that we cannot do everything in one go because there is a limit to our budget. We have to keep inside the overall limits of the EAGGF structural budget. We therefore have to choose what can be put into effect immediately, what can be put into effect a little later, and we have to have priorities.

Not all of what has been mentioned here — most of which I agree with — can be implemented forthwith. What I consider to be the greatest priorities are adapting the fleet to present fishing possibilities, with a special priority for regions heavily dependent on fishing, and seeking new outlets for our fishing fleets.

The emphasis I have placed on regional aspects two or three times is also my answer to Irish Members, who have rightly referred to serious difficulties in certain areas of the Republic of Ireland. These fishermen,

however, are not the only ones in serious difficulties: the same applies to local fishermen in France; it applies to other parts of the Community. But since this is the case and since we must be a Community of solidarity, I have underlined, both in the structural connection and with regard to access and quotas, that there special regard must be paid to the difficulties of fishing populations who have very little alternative and who are in particularly great difficulties.

*(Applause)*

Mr President, having given the general picture, I do not want to take up Parliament's time by going into details. As I said, most of the matters which have been suggested to me can be considered. They cannot all be implemented in one go. There is a legal matter which comes back to us again and again: the non-use of Article 43 and the use of the more speedy paragraph. I agree, as I always have, with Parliament that this is a bad way of proceeding, but as long as Council has not adopted the basic regulation with regard to fishing, on which you have expressed yourself previously, we shall get into situations where damage is done to individuals of other nationalities or third-country nationality unless emergency measures are taken. I regret this state of affairs. It must be limited to what is absolutely unavoidable, and when, in a matter of weeks, we have a basic regulation on fishing, this kind of situation can, I hope, be avoided altogether.

I thank the rapporteurs for their reports. They are, as always in this Parliament, a valuable contribution to the work of establishing a common fisheries policy. My final words will be that the message of this Parliament is the one I like to hear, the one we need to hear: the Council must press on with adopting this fishing policy immediately.

*(Applause)*

**President.** — The debate is close.

We shall now consider the various motions for resolutions, beginning with that contained in the Kirk report.

Here we must first vote on the amendments to the proposals for regulations.

On the proposal for a regulation I, I have Amendment No 1, tabled by the Committee on Budgets and rewording Article 11 (4) as follows:

4. The estimated cost of the Community's total contribution is 15 m EUA. This figure is purely indicative.

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — *(DK)* Mr President, I should like to point out that the three amendments from the

**Kirk**

Committee on Budgets, calling for the figures to be purely indicative, have already been incorporated in the report by the Committee on Agriculture. It is therefore unnecessary to vote on them.

**President.** — Mr Kirk, that is a question of procedure. I propose that we vote on these amendments in any case.

**Mr Kirk, rapporteur.** — (DK) Mr President, as you can see, Amendment No 1 has already been incorporated in the report. Surely there can be no reason for voting on an amendment which has been carried out, as it would change nothing?

**President.** — The difficulty is that if an amendment should no longer be put to the vote, it must first be withdrawn by the Committee on Budgets.

**Mr Kirk, rapporteur.** — (DK) Well, Mr President, you may vote for it. I am against the amendment as it is already incorporated in the report, but do vote for it, it will not change anything.

*(Parliament rejected Amendment No 1)*

**President.** — On the proposal for a regulation II, I have two amendments:

— Amendment No 12, tabled by Mr Percheron and others and deleting Article 9; and

— Amendment No 2, tabled by the Committee on Budgets and rewording Article 14 (2) as follows:

2. The total cost of the common measure to the Fund is estimated at 200 million European units of account. This figure is purely indicative.

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — (DK) I am against No 12, and I am against No 2.

*(Parliament rejected Amendments Nos 12 and 2)*

**President.** — On the proposal for a regulation III, I have Amendment No 3, tabled by the Committee on Budgets and rewording Article 6 (3) as follows:

3. The Community may participate in the costs following from the implementation of the programmes. The total cost of this participation is estimated at 5 million European units of account shared between the various programmes according to Annex II. This figure is purely indicative. The appropriations necessary for each financial year are fixed annually in the general Community budget

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — (DK) I am against.

*(Parliament rejected Amendment No 3)*

**President.** — We now proceed to the motion for a resolution.

*(Parliament adopted the preamble and paragraph 1)*

After paragraph 1, I have Amendment No 5, tabled by Mr Helms and others and inserting the following new paragraph:

- 1a. Therefore calls on the Council to instruct the Commission to present at long last a structural report pursuant to basic Regulation 101/76, clearly showing objectives as regards the desired structure of the deep-sea and off-shore fishing fleets, measures affecting fish-farming, fish-processing, research and other measures and including analyses of market and consumer structures;

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — (DK) I am favour of this proposal to add a new paragraph 1a after paragraph 1.

*(Parliament adopted Amendment No 5 and then paragraphs 2 to 5)*

**President.** — On paragraph 6, I have Amendment No 17, tabled by Mr Josselin and others and replacing this paragraph with the following text:

6. Requests the Commission to design its programme for the restructuring of the fisheries sector to incorporate social measures financed by the Social Fund to safeguard the employment of fishermen and workers in the processing industry to enable them to exercise their activities in full;

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — (DK) The same amendment was put forward in committee and was rejected; I therefore oppose it.

*(Parliament rejected Amendment No 17 and adopted paragraphs 6 and 7)*

**President.** — After paragraph 7, I have Amendment No 4, tabled by Mr Papapietro and others and inserting the following new paragraph:

- 7a. Calls upon the Commission and Council to undertake to deal, as a matter of urgency, with the specific outstanding problems of the Mediterranean having regard to their importance for the definition of struc-



**President**

tural programmes, and to undertake in particular to seek adequate arrangements for management and conservation of fish stocks and more stable and secure relations with other riparian States of the Mediterranean;

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — (DK) I am against, Mr President.

*(Parliament rejected Amendment No 4 and adopted paragraphs 8 and 9)*

**President.** — On paragraph 10, I have Amendment No 16, tabled by Mr Josselin and Mr Percheron, and adding the following phrase:

taking care in particular to ensure that these measures do not impose excessively heavy debts on young fishermen who wish to enter the industry;

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — (DK) I can accept this amendment.

*(Parliament adopted Amendment No 16 and paragraph 10 thus amended)*

**President.** — On paragraph 11, I have Amendment No 15, tabled by Mr Percheron and others and replacing this paragraph with the following text:

11. Points out that the progressive exclusion of the Community's deep-sea fleet from foreign waters and the temporary lack of certain stocks in Community waters for which these vessels are designed will require:

- (a) a redeployment of the fleet through experimental expeditions inside and outside Community waters for little-used species;
- (b) the development of new fishing-grounds, particularly by means of cooperation agreements with third countries on fishing;

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — (DK) I cannot accept this amendment.

*(Parliament rejected Amendment No 15 and adopted paragraph 11)*

**President.** — On paragraph 12, I have Amendment No 14, tabled by Mr Josselin and others and replacing this paragraph with the following text:

12. Requests that if new grounds do not provide sufficient short-term catch possibilities, redeployment measures should be taken and be incorporated within the proposed multiannual guidance programmes;

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — (DK) I am against.

*(Parliament rejected Amendment No 14 and adopted paragraph 12)*

**President.** — On paragraph 13, I have Amendment No 13, tabled by Mr Josselin and others and replacing this paragraph with the following new text:

13. Welcomes the very original proposal to encourage the development of joint ventures with third countries, but affirms that this development of joint ventures must in no case lead to a deterioration in the employment situation in the Community fishing industry, and stresses that if these operations are to be implemented, they require the organization for the nations of third countries of vast programmes of training in the techniques of fishing and fish-processing;

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — (DK) I am against.

*(Parliament rejected Amendment No 13 and adopted paragraph 13)*

**President.** — On paragraph 14, I have Amendment No 6, tabled by Mr Helms and others and adding the following phrase:

14. . . .; in special, duly substantiated cases, applications for support for smaller boats with a minimum length of less than 30 metres should be admissible;

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — (DK) This I can accept.

*(Parliament adopted Amendment No 6, paragraph 14, thus amended, and then paragraphs 15 and 16)*

**President.** — On paragraph 17, I have Amendment No 7, tabled by Mr Helms and others and replacing the word 'financing' by 'promotion'.

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — (DK) This I can accept.

*(Parliament adopted Amendment No 7, paragraph 17, thus amended, and paragraph 18)*

**President.** — On paragraph 19, I have two amendments:

— Amendment No 11, tabled by Mr Percheron and others and replacing this paragraph by the following text:

19. Emphasizes that the tremendous increase in fuel costs to fishermen since 1977 threatens the economic future of the industry; recalls that Parliament has felt that it was necessary to provide direct Community aid to fuel, in accordance with EEC rules, and, with a view to harmonization, calls upon the Commission to encourage steps to aid the introduction of fuel-saving measures on vessels, for example by the coordination of research programmes;

— Amendment No 8, by Mr Helms and others, replacing the words 'the industry' by the word 'fishing' and adding the following phrase:

19. . . . ; the experience of the Member States in this area should be taken into account;

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — (DK) I am against No 11 but in favour of No 8.

*(Parliament rejected Amendment No 11 and adopted Amendment No 8, paragraph 19, thus amended, and paragraphs 20 to 24)*

**President.** — On paragraph 25, I have two amendments, each tabled by Mr Helms and others and adding a subparagraph or subparagraphs as follows:

— Amendment No 9:

- (c) the yearly preparation of detailed statistics on the structure of the fleet must be compulsory for all Member States;

— Amendment No 10:

- (c) the obligations and proposed measures contained in the Commission's draft should take adequate account of all measures adopted by the Member States which comply (are in conformity) with the rules of the existing regulation,
- (d) undertakings of firms which belong to a group of undertakings and which were already engaged in sea fishing on 1 January 1977 should be given the opportunity, at their request, to participate in the measures to promote restructuring,

What is the rapporteur's position?

**Mr Kirk, rapporteur.** — (DK) I can accept No 9, but not No 10, and I do not feel that we can vote on the latter, as it was not moved during the debate by any of its authors.

**President.** — I call Mr Provan on point of order.

**Mr Provan.** — Mr President, this amendment was not moved in debate, and under Rule 29 (1) I think you will find it is therefore not to be voted on by Parliament.

**President.** — I call Mr Rogers on a point of order.

**Mr Rogers.** — Mr President, I know that to some people who may want to rush away, it may seem a little tiresome to have a point of order on an issue like this, but in fact it is the very fundamental point of deciding when an amendment is acceptable for voting on. I hope that no one is going to use procedural devices to prevent an amendment being voted upon by saying that it has to be formally moved, because there are very, very few amendments that are ever formally moved. This is easily proved. How many authors of amendments have actually got up in a debate and said they formally move them? I think the usual rule that has been accepted, Mr President, is that if the subject-matter of the amendment has been introduced into the debate then it is proper to vote on the amendment. Otherwise, if you go strictly according to the rules, if someone puts down 500 amendments and they have all got to be formally moved, it is going to take you an impossibly long time to deal with them. As long as the subject-matter has been introduced into the debate, I would have thought an amendment was in order.

**President.** — Let us not start a procedural dispute, which would make us lose valuable time.

I call the rapporteur.

**Mr Kirk, rapporteur.** — (DK) Mr President, the interpretation of the Rules of Procedure is entirely up to the Chair. I merely wished to point out that the amendment had not been moved during the debate. If the chair feels that that is unnecessary then we will vote on it and the decision is not mine but yours, Mr President.

I am in favour of Mr Helms' Amendment No 9. If the President feels that Amendment No 10 has been moved in accordance with the Rules of Procedure, I recommend that we vote against it.

*(Parliament adopted Amendment No 9, rejected Amendment No 10 and adopted, first paragraph 25, thus amended, then paragraphs 26 to 31)*

**President.** — I call Mr Josselin for an explanation of vote.

**Mr Josselin.** — (F) Mr President, the main purpose of the amendments tabled by the French Socialists was to protect the fishermen whose jobs might be threatened by this restructuring policy. The rejection of these amendments by the House is the reason why the French Socialists have voted, through my vote, against the report.

**President.** — I call Mr Kirk.

**Mr Kirk, rapporteur.** — (DK) Mr President, I feel we also have to vote on the amendments to the Commission proposal adopted by the Committee on Agriculture. Changes are proposed to Article 6 of the Regulation, as I said when introducing the report, and I do not feel that Parliament can or should simply vote on the motion for a resolution; we should also adopt the amendments to the Commission's proposal for a regulation. We have not completed the job.

**President.** — We voted, first on the amendments to the Commission proposal, then on the Kirk motion for a resolution. We have thus taken two series of votes, and I do not understand what amendments you mean.

**Mr Kirk, rapporteur.** — (DK) The problem is, Mr President, that in this report the Committee on Agriculture has proposed a number of amendments to the Commission's proposal. We have not voted on these amendments. We have simply voted on the motion for a resolution and the Committee on Budgets' amendments to the Regulation. I feel that before we can approve the amendments tabled by the Committee on Agriculture Parliament must vote on them. I am referring specifically to the proposal for a Council regulation on measures to encourage exploratory fishing and cooperation. The Committee on Agriculture has amended Article 6 (a) and (c) of the Commission's proposal. Article 11 (b) of the same regulation is also involved, and Article 6 of the proposal for a Council Regulation on the coordination and promotion of fisheries research. Here, too, the Committee on Agriculture has proposed amendments on which we have not voted.

**President.** — Mr Kirk, if necessary you can take the floor again later, after your Bureau has provided the necessary explanations.

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

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

We proceed to the motion for a resolution contained in the Quin report (Doc. 1-658/80).

(Parliament adopted the preamble and paragraph 1)

On paragraph 2, I have Amendment No 1, tabled by Mr Kirk and adding the following phrase:

... , provided that the tax per kilo is limited to a maximum of Dkr 1.94;

What is the rapporteur's position?

**Miss Quin, rapporteur.** — Unfortunately, this amendment was not considered by the Committee on Agriculture and I cannot say what the committee's view on this would be. Personally, I am not very happy with a fixed level of this kind and shall vote against, but I leave it to Members to make up their own minds.

(Parliament adopted Amendment No 1, paragraph 2, thus amended, and paragraph 3)

**President.** — I put, thus amended, the motion for a resolution as a whole to the vote.

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

I put to the vote the motion for a resolution contained in the Quin report (Doc. 1-665/80).

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

I put to the vote the motion for a resolution contained in the Lyng report.

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

#### 16. Membership of the political groups

**President.** — Mr Baudis has informed me that, with effect from 1 January 1981, he is leaving the Liberal and Democratic Group to join the Group of the European People's Party (CD).

#### 17. Peat

**President.** — The next item is, without debate, the report by Mr Gallagher, on behalf of the Committee on Energy and Research, on peat (Doc. 1-572/80).

I note that no one wishes to speak.

I put the motion for a resolution to the vote.

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

<sup>1</sup> OJ C 346 of 31. 12. 1980.

<sup>1</sup> OJ C 346 of 31. 12. 1980.

18. *Community tariff quotas for beef and veal and buffalo-meat*

**President.** — The next item is, without debate, the report by Mr Louwes, on behalf of the Committee on External Economic Relations (Doc. 1-689/80), on

the proposals from the Commission to the Council for

- I. a regulation opening a Community tariff quota for high-quality, fresh, chilled or frozen beef or veal falling within subheadings 02.01 A II a) and 02.01 A II b) of the common customs tariff;
- II. a regulation opening a Community tariff quota for frozen buffalo-meat falling within subheading 02.01 A II b) 4 bb) 33 of the common customs tariff (Doc. 1-574/80); and
- III. a regulation on the opening, allocation and administration of the Community tariff quota for frozen beef and veal falling within subheading 02.01 A II b) of the common customs tariff (1981) (Doc. 1-676/80).

I note that no one wishes to speak.

I put the motion for a resolution to the vote.

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

19. *Consumption of manufactured tobacco*

**President.** — The next item is, without debate, the report by Mr Beumer, on behalf of the Committee on Economic and Monetary Affairs (Doc. 1-667/80), on

the proposal from the Commission to the Council (Doc. 1-649/80) for a directive amending Directive 72/464/EEC on taxes other than turnover taxes which affect the consumption of manufactured tobacco (8th directive).

I note that no one wishes to speak.

The two amendments that had been tabled have both been withdrawn.

I put the motion for a resolution to the vote.

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

20. *Olive oil and agricultural products*

**President.** — The next item is the report by Mr Giummarra, on behalf of the Committee on External Economic Relations (Doc. 1-694/80), on

the proposals from the Commission to the Council (Doc. 1-432/80) for

- I. a regulation amending Regulations (EEC) Nos 1508/76, 1514/76 and 1521/76, on imports of olive oil originating in Tunisia, Algeria and Morocco (1980-81); and
- II. a regulation amending Regulation (EEC) No 1180/77, on imports into the Community of certain agricultural products originating in Turkey (1980-81).

I call Mr Filippi.

**Mr Filippi, deputy rapporteur.** — (I) Mr President, Mr Giummarra has had to leave. He conveys his apologies and has left to me the responsibility for presenting his report to this House. However, in view of the late hour and the fact that the report has already been distributed, so that everyone has had a chance to read it, I feel that it is not necessary for me to comment further upon it.

**President.** — I put the motion for a resolution to the vote.

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

21. *Relations with Greece in the field of transport*

**President.** — The next item is the report by Mr Cottrell, on behalf of the Committee on Transport, on relations between the Community and Greece in the field of transport (Doc. 1-684/80).

I call Mr Cottrell.

**Mr Cottrell, rapporteur.** — Mr President, I think this is the first time ever that the Parliament has had an opportunity to consider in this particularly important field of transport problems concerning the accession of a new Member State. My view is fairly well known that the Community, the Parliament and the Commission are all guilty of the same crime, which is that we do not pay sufficient attention to transport problems within the Community. As has been said so many times, the Treaty has a good deal more to say about transport than it does about agriculture, yet we still have no common transport policy.

<sup>1</sup> OJ C 346 of 31. 12. 1980.

<sup>1</sup> OJ C 346 of 31. 12. 1980.

**Cottrell**

We are confronted therefore with certain basic problems with the accession of Greece. It is the first time that we have had a Member State so effectively separated from the land mass of the rest of the Community by land and by water. All land-links with Greece run via two non-member States: Yugoslavia and Austria. There is a question there of strategy and security. There is also the question to what extent the Community will find itself prepared to invest in the transport infrastructures of those two States in order that the Greeks can derive the maximum benefits from Community membership and so attain the true objectives of the common market.

It is quite clear that the instruments which we have at the moment to develop internal Greek infrastructures are very limited indeed. There is the European Investment Bank and there is the Regional Fund. The Regional Fund, I understand, will not be allowed to play a role in the most central dynamic area of Greece, the Attic plain of Piraeus and Athens joined together. This means that Piraeus will not be able to develop with the aid of Community funds into a southern Mediterranean equivalent of Europort, and that would seem to me to be unfortunate, because I hold the view that it really is of no use in any transport policy, in Greece, in Holland, in Britain or anywhere else, to spend money on developing the transport systems at the fringes of the State rather than those at the centre.

Greece also brings to us a huge merchant fleet, the largest and most vibrant merchant fleet in Europe. I believe that this will strengthen the Community in evolving a policy to deal with competition from the State-trading nations, and we should not underestimate the enormous advantage that this will give us.

However, having given the Greeks a gift, I shall take it away again. There are major causes for concern over the safety conditions of many Greek ships. It is very easy to say that Greek ships have more accidents than anybody else, for of course they have more ships than anybody else in the Community, so statistically they are bound to have more accidents; but I really feel that it will be up to the Community institutions to ensure that the safety standards which we as Community nations follow are rigidly enforced in Greece as a whole.

I will conclude my brief remarks, Mr President, by pointing out that the report does make the point that it is not just a question of dealing with Greek transport links, it is a question of addressing ourselves to that enormous gap in Community policy which is the lack of a common transport policy, the lack of a common transport infrastructures fund and the lack of common policies in general which will achieve greater mobility within the common market.

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

**Mr Albers.** — (NL) Mr President, it is a pity that this Parliament sets so little store by its own initiatives, particularly in the case of an initiative like the present one, crowned as it is by Mr Cottrell's outstanding report, on which I sincerely congratulate him.

(Applause)

He has put before us a document on which we shall make considerable calls in the discussions with our Greek friends during the coming months. Once again, however, it is a pity that this Parliament has such scant regard for its own initiatives. It is not the first time either, Mr President, for me to be speaking at the close of the year; it has become the custom. I have often had the last word in the years gone by. I am therefore very glad to have the opportunity, after the presentation of this report, to say something further on behalf of my Group. The report is very systematic in every respect, pays due regard to all sectors of transport policy but, above all, underlines the great importance of good rail and road infrastructures, particularly because with the accession of Greece the territory of third countries will have to be crossed — I refer to transit traffic. The report also makes the point that the accession of Greece constitutes a challenge to Community transport policy. When we look at the tolls that have to be paid to transit through Yugoslavia and Austria, then it is very clear that Greece, as a new Member State, and its products will be in a disadvantageous position, and it will be our duty to try to make changes to this system. That, Mr President, makes it, of course, doubly regrettable that a majority in this Parliament, when dealing with the 1981 budget for the umpteenth time, should have voted out its own initiatives. My Group stuck to its guns in this issue and voted for an infrastructure appropriation in the budget, but the majority in this Parliament let us down and it is, Mr President, not the only time that we have lived through a week like this. Many initiatives taken by Parliament in the past have failed to be confirmed when the budget has been discussed. I earnestly protest once more against this, but I shall now be brief. In January we shall be meeting a delegation from Yugoslavia. I hope that the rapporteur will also be in a position at that time to join in the discussions with this delegation so that a few things are said at Parliamentary level with regard to the cooperation agreement.

Now a few words about the amendments. I assume that they really will be spoken to, so that a vote can be taken on them as well. Our Group, Mr President, is pleased to support the first amendment. We do not all think alike on the Community licensing policy. There are differences of opinion, but because, in Greece's case, these are licences that have to be used over long distances and therefore can possibly be used less effectively than normal licences, it is desirable that Greece should, in the long run, be more favourably served with Community quotas.

**Albers**

Against the second amendment we have overriding objections, because we cannot see what connection the accession of Greece and the increase in the Community merchant fleet has with the combating of competition by our Member States, particularly after what the rapporteur himself has said about social conditions in the Greek fleet. We shall also therefore be voting against the second amendment tabled by Mr Moreland.

*(Applause)*

**President.** — I call Mr Moreland to speak on behalf of the European Democratic Group.

**Mr Moreland.** — Mr President, I entirely endorse everything that has been said by the rapporteur. I am glad to throw him bouquets, as I always do. I am glad to endorse most, if not all, of what Mr Albers has said, and I shall deal with his slight criticism. He and I share, I think, one feeling which leads to the first amendment, and that is our entire dissatisfaction with the quota system and the allocation to Greece of a quota which, I understand, is the same as that of the smallest country in the Community. I think the whole system of quotas needs to be reconsidered.

I believe that the most important aspect of Greek accession with regard to transport is the infrastructure linking Greece and the rest of the Community, and this means that we must insist that the transport infrastructure fund is approved as soon as possible.

I share with Mr Albers and with many others a sense of betrayal on the part of the Committee on Budgets in that it did not push forward any of the transport amendments.

*(Interruption)*

As does the House, indeed, Sir.

I think the most controversial aspect of Greek accession with regard to transport is shipping. I emphasize that I regard Greece's accession in this connection actually as a bonus, although I shall make a few critical points. It gives greater emphasis to shipping services that are not based on national cargo-linked liner trade interests. It is very much a commercially orientated shipping service and this is the purpose of my amendment, for I think we should harness it in our fight against competition from the State-trading nations.

As I said, Mr President, there are some critical points. Let me put them by asking the Commission the following questions. My colleague Mr Cottrell has raised the issue of safety, and, as we know, a third of of Greek tonnage is over 15 years old. Will it be modernized? Do we have some assurance that the

Greek Government is going to pursue this? Is the Commission satisfied with the system whereby Greek shipping is taxed on tonnage and not profits? What discussions have been held with the Greeks on ship management, crewing and seamen's welfare? Will the Greek Government veto developments of Community shipping policy in this field where other countries in the Community may have a different object? Our main concern must be that Greece's entry should promote and not hinder shipping policy. Let us not forget that in 1973 the Community's merchant fleet was also substantially expanded by the accession of my own country. Frankly, I have yet to see many signs of successive British Governments promoting a better policy for shipping in the Community, and I wonder if Greece is going to take some initiative in this. I hope that the effects of her entry will be different. At all events, it will mean that the Community has 26 % of the world's merchant shipping. Let us not squander that valuable card!

There are many other points on transport that one could raise, and that have been touched on. I think it is a disgrace that this debate is being held late on a Friday, because it is very fundamental. It is going to force the hands of the Commission and the Council on transport policy, and I do think that Mr Cottrell deserves the bouquets, because it was he in fact who raised this subject first of all in the committee. All in all, I believe that Greece's entry will be of benefit to transport policy and that it is to be welcomed.

And now, Mr President, I am going to do something I have never had the privilege of doing in this Chamber before, because I happen to be the last speaker, you will be pleased to hear, from my Group today. I therefore wish you, sir, and everyone else, a Merry Christmas and a Happy and Prosperous New Year!

*(Applause)*

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr President, the Commission welcomes very much Mr Cottrell's timely report. It is quite evident that for a Community which stretches from the very furthest outpost in the North Atlantic to the Eastern corner of the Mediterranean, a proper transport policy is essential a proper transport policy understood in two basic senses. The one sense is that national and Community financial measures combined must ensure that the basic lines of communication are there, particularly in the case of those areas which are furthest from the centre of Europe. Secondly, we must ensure that our land, sea or air transport operates within a set of rules which create equality of conditions but also equality with regard to safety, while taking into account the needs of the citizens in an area where public transport is becoming more and more important

**Gundelach**

This aspect of centralization really is quite striking. I do not know whether any of you have had the experience of coming back in a high-flying aircraft from a far-away territory on a clear night so that, at a certain point when the plane starts coming into land, most of Europe is spread out before you. You can see the lights and you can see that the Rhine Valley, the Rhône Valley, the area around London, are all lit up while the rest, with the exception of few sparkles, is dark. That shows that we have a Community which is too highly centralized, and a great deal of our difficulties in many areas are due to this situation. One of the cardinal means which can be used to solve that problem is a transport policy.

Using the occasion of Greece's accession to raise this issue again in a field where this problem is so manifest that it has repercussions elsewhere was a very good initiative, and the Commission is very happy about it. It agrees with the report and it agrees with the motion for a resolution in front of you. It hopes it will be adopted. It will strengthen the new Commission in the action it has to take in order to break through with specific action in the various parts of transport policy.

**President.** — The debate is closed.

We shall now consider the motion for a resolution.

*(Parliament adopted the preamble and paragraphs 1 to 5)*

On paragraph 6, I have Amendment No 1, tabled by Mr Moreland and replacing this paragraph with the following text:

6. Expects that the incorporation of Greece into the Community quota system, as of 1 January 1981, will facilitate road haulage movements between Greece and the rest of the Community; regrets that Greece was not allocated a larger number of authorizations at the December Council of Transport Ministers and asks the Council to reconsider the allocation at its meeting planned for March.

What is the rapporteur's position?

**Mr Cottrell, rapporteur.** — I have to point out that the committee was against it but I, personally, would be in favour of it.

*(Parliament adopted Amendment No 1 and paragraphs 7 to 10)*

**President.** — After paragraph 10, I have Amendment No 2, tabled by Mr Moreland and inserting the following new paragraph:

- 10a. Considers also that Greek accession, in strengthening the Community's merchant fleet, should be taken advantage of in countering the subsidized competition from State-trading nations.

What is the rapporteur's position?

**Mr Cottrell, rapporteur.** — I am in favour of it.

*(Parliament adopted Amendment No 2 and paragraphs 11 to 14)*

**President.** — I put, thus amended, the whole of the resolution to the vote.

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

## 22. Dates of the next part-session

**President.** — There are no other items on the agenda. I thank the representatives of both Council and Commission for their contributions to our debates.

The enlarged Bureau proposes that our next sittings be held at Strasbourg during the week from 12 to 16 January 1981.

Are there any objections?

That is agreed.

## 23. Approval of the minutes

**President.** — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting, which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

I call Mr Van Minnen.

**Mr Van Minnen.** — *(NL)* Mr President, it would be making a big mistake to think that the whole of the

<sup>1</sup> OJ C 346 of 31.12.1980

**President**

Netherlands consists just of Mr Albers. May I therefore be allowed to say the last word and, on behalf of this Assembly present here in such numbers, not only to thank you for the way in which you have presided over this last sitting of the year but also to wish you all the best for 1981.

*(Applause)*

*24. Adjournment of the session*

**President.** — Thank you. I declare the session of the European Parliament adjourned.

The sitting is closed.

*(The sitting was closed at 1.55 p.m.)*



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