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from 15 to 19 November 1982

Europe House, Strasbourg

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NOTE TO READER

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

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IN THE CHAIR: Mr DANKERT

President

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

1. *Resumption of the session*

President. — I declare resumed the sitting of the European Parliament which was adjourned on 29 October 1982.¹

¹ Approval of Minutes — Petitions — Transfer of appropriations — Motions for resolutions (Rule 49) — Authorization of reports — Referral to committee — Documents received — Texts of treaties forwarded by the Council: See Minutes.

2. *Tribute*

President. — Two Members of our Parliament have died since the last part-session:

- Mr Ilios Glykofridis died on 20 October in Athens. He was born in that same city on 13 February 1912 and was elected to the European Parliament on 17 September 1982 to replace Mr Papageorgiou. Our late colleague was a non-attached Member.
- Mr Victor Michel died in the night of 5 to 6 November in Brussels shortly after returning from Rome where he had been spokesman of the EPP group at the ACP-EEC Joint Assembly.

President

Mr Michel was a Member of Parliament since his election in June 1979. He was particularly active in the Committee on Development and Cooperation. His election to the European Parliament was for him the culmination of a very active career within the Belgian Christian Worker Movement of which he became Secretary-General after outstanding work in the Young Christian Worker Movement and the Popular Family Movement.

I should like to add that Mr Victor Michel was a particularly likeable Member of our Parliament, undoubtedly because of his smiling simplicity, the result of the harmony which existed between his natural generosity and his commitment to the most under-privileged members of society. This harmony lent clarity to his ideas and was the source of their success.

It is for us to engage in the struggle for development which is one of the major responsibilities of this Parliament with the same conviction and perseverance which he showed.

I therefore ask you to observe a minute's silence in memory of our two late colleagues.

(The House rose and stood for one minute in silence)

3. *Textile products — delegation of power of decision to a committee.*

President. — The Committee on Economic and Monetary Affairs, to which the von Wogau report on a regulation on the indication of the origin of certain textile products imported from third countries, was referred back at the sitting of 11 October 1982, pursuant to Rule 35(3) of the Rules of Procedure, has informed me that it has decided not to take an immediate decision on the matter in view of the fact that the Commission is awaiting further information before deciding whether to withdraw or maintain its proposal.

The Committee on External Economic Relations will be considering, with the power to take a decision pursuant to Rule 33 of the Rules of Procedure, a Commission proposal to the Council for a directive on the implementation of Article 18 of Directive No 69/73 on the harmonization of the provisions laid down by law, regulation or administrative action in respect of inward processing (Doc. 1-542/82 - Com(82) 416 final).

Are there any comments?

I call Mr Seal.

Mr Seal. — Mr President, I should like to comment on the matter which you rushed over, namely the von

Wogau report. Unfortunately you finished with it before the translation came through. I assume that this was the one on origin marking. I do not think it is good enough, Mr President, just to leave this until information comes from the Commission, if indeed it ever comes from the Commission. The situation is that two Member States are already using origin marking, and I would like the House to ask that this report goes ahead irrespective of the decision of the Commission.

A second point, Mr President, concerns the other issue you mentioned, namely the REX committee. Surely it is inward processing and not outward processing, which was the translation that I got.

President. — One point is a point of translation. Perhaps the other point is proposal. Are you proposing to set a dead-line for the von Wogau report? If so I then have to know what kind of dead-line you are proposing because then we have to vote on it, Mr Seal.

Mr Seal. — I would have thought Mr President, that the Commission could have the information before us before the next part-session.

President. — Mr Seal, we cannot decide on the information to be proposed by the Commission. We can only decide on documents being made available by parliamentary committees.

Mr Seal. — Could we not ask the Commission, to provide the information in order that the Committee on Economic and Monetary Affairs can produce the report by the next part-session?

President. — Mr Seal, I cannot put that to the vote. But we could propose that the Committee on External Economic Relations should come forward with a report by the January part-session, in the expectation that by then the European Commission will have provided the information we are waiting for.

Mr Moreau, would you agree to the von Wogau report being held over until the January part-session?

Mr J. Moreau, chairman of the Committee on Economic and Monetary Affairs. — (FR) Mr President, I think that the January part-session would be acceptable for our committee.

President. — The von Wogau report is therefore held over until January.

Are there any comments?

I call Mr Rogalla.

Mr Rogalla. — (*DE*) Mr President, before we come to the plan of work, I should like to ask you a question concerning Rule 18, paragraph 1, of our Rules of Procedure, in accordance with which you direct all the work of Parliament and its bodies.

I cannot put this question in writing in accordance with Rule 25, paragraph 2, because it does not concern the work of the Bureau, the Enlarged Bureau or the Quaestors; it concerns that of the Secretariat.

Would you please tell me whether it is correct that the work of the Secretariat is covered by the supreme principle of providing assistance and support to Members of Parliament and whether you have made arrangements to ensure that this principle is made known to all officials in the Secretariat? Without going into detail at present, I must tell you that I have frequently had occasion to regret that one administrative decision or another was somewhat narrow and, I feel, not sufficiently constructive. I should be grateful to you if you would answer my question.

President. — Mr Rogalla, I fully sympathize with your point of view, but it has nothing to do with Rule 18(1). I think the best thing for you to do would be to write to the Bureau.

Mr Rogalla. — (*DE*) Mr President, I am sorry to have to contradict you. Rule 18, paragraph 1, says:

‘The President shall direct all the activities of Parliament and of its bodies under the conditions laid down in these Rules.’

Firstly, I could not ascertain from the Rules of Procedure that specific bodies exist. The word ‘Organe’ (bodies), in the German translation at least, does not appear anywhere else, as far as I know.

I then came across Rule 113, paragraph 2 of which refers to the Secretary-General of Parliament, who directs the Secretariat. I take it that this paragraph is subject to the conditions referred to in these Rules of Procedure. As I cannot put this question to the Bureau in writing, because the requirements of Rule 25, paragraph 2, are not met, I have decided to put the question to you orally.

President. — Mr Rogalla, you are suggesting that, on the basis of Rule 18(1) I am required at this time to initiate a discussion with Members on the question of the operation of the General Secretariat. That is in no way provided for in Rule 18(1). I feel that it would be better to deal with the matter in writing.

I call Mr Rogers.

Mr Rogers. — Mr President, there has certainly been no connivance, but it seems that Mr Rogalla and I

both have similar topics in mind. But unlike Mr Rogalla I have pre-empted your advice and submitted in writing, as so many other Members have, a request under Rule 48 for an urgent debate on the need for consideration in plenary session of proposals for the reorganization of the European Parliament’s Secretariat and in particular the abolition of its independent Directorate-General for Research and Documentation. Then, to make sure that that was not pre-empted, we also submitted a motion under Rule 47 of the Rules of Procedure on the need for consideration in plenary session of proposals for the reorganization of the European Parliament’s Secretariat and in particular the abolition of its independent Directorate-General for Research and Documentation.

In view of what you have said to Mr Rogalla, Mr President, I am extremely disturbed, as I am sure all other Members will be, at the very sweeping powers that the Bureau takes unto itself. Now I am certainly aware of — and I have no doubt that you will quote it to me — the rule relating to the functions of the Bureau and the enlarged Bureau of this Parliament. I am also sure that most Members would agree that we would not want to get involved in purely administrative issues. But a complete reorganization and the abolition of a department within the Secretariat of Parliament would to me seem to be an issue that ought to be brought to Members, or at least some form of consultative procedure should be adopted between the Bureau, enlarged Bureau, the Political Groups and the individual Members of the Parliament.

Now you, Mr President, have always said that you would be the custodian of our individual liberties and dignities, so I would ask you what has happened to the resolution submitted under Rule 48 and the resolution under Rule 47 relating to the reorganization of the Secretariat. We place a lot of faith in your upholding of individual Member’s liberties and I do hope that you will perhaps allow this to become a matter for further dialogue in whatever way can be found within the Rules.

President. — Mr Rogers, we can of course change the plenary into a Bureau meeting. But I would prefer to keep the competences where they are, and unless there is a change in the Rules; the Bureau is clearly responsible for administrative affairs, including the organization of the Parliament. I would stick to that.

(*Cries of ‘Hear, hear!’*)

I call Mrs Clwyd.

Mrs Clwyd. — Mr President, I rise to bring to your notice Rule 25(2) which states:

Any Member may ask questions related to the work of the Bureau, the enlarged Bureau and the Quaestors. Such questions should be submitted to

Clwyd

the President in writing, published in the Bulletin of the Parliament within thirty days of tabling, together with the answers given.

At the beginning of September I wrote you a letter asking you what action was being taken by this Parliament following a report I had given you written by two doctors, experts in air conditioning and the effects of air conditioning and humidification on health. This is a matter I first raised in this Parliament in 1979; it is a matter which has not been resolved. I have several letters in my files: replies from Mr Opitz, replies from your own Chef du Cabinet and replies from the previous President, Mrs Veil. Now I think that the report I submitted to you from these two experts was serious enough to be given the highest consideration by you because I believe that there are many Members in this Parliament who are suffering from various discomforts in their health during this Strasbourg period. This is not exclusive to Strasbourg, may I say, it is also something which is found in Brussels too, but it does, I think, raise questions of the responsibility of the Secretariat, of the Parliament and yourself, as our President, in doing something immediately about this longstanding problem. It affects people in various ways — I will not go into it now —, but in its extreme form, Mr President, it can cause damage to the lungs which is similar to damage caused by asbestosis. Now that is a recognized industrial disease, and if Members in this Parliament were to make claims against the Parliament because of the effects on their health, then the Parliament and the whole Community would soon be bankrupt. Mr President, I am asking you why you have not replied to my letter within the specified period as laid down in the Rules?

(Cries of 'Hear, hear!')

President. — Mrs Clwyd, you are posing questions I am unable to answer from here. I cannot even recall whether there was a question under Rule 25(2) or whether it was just a letter. But apart from that I think you should be aware that we live in a complicated situation here because this House is owned by the Council of Europe and very often decisions can only be taken with the agreement of the Council of Europe, which makes matters rather complicated.

I call Mrs Nielsen.

Mrs Tove Nielsen. — *(DA)* Mr President, I think it admirable of Mrs Clwyd to continue pressing this matter. Since we know how many people really suffer from the problem, I honestly think that it is too bad that there is no prompt response from Parliament, from the responsible quarter. Why should I, as an ordinary Member of Parliament, myself see to it that the investigations can be pursued under the right conditions? Today I have brought along a Petri dish to determine the particle content of the air, since that is

one of the things I suffer a great deal from. I did the same thing last week in Brussels. Is it really necessary for us Members to start investigations ourselves in order to get proper working conditions? After all, it affects our work. I am willing to make available the results of my own investigations, but it is not a reasonable thing to expect. It must be Parliament's job to deal properly with this problem, so that we do not have to continue working under conditions which make it impossible to do a reasonable job. We have headaches or our eyes smart or we cannot breathe.

President. — Mrs Nielsen, we are fully aware of the problem. The findings of the reports produced by the doctors brought here by Mrs Clwyd have been communicated to the administration. Further research is going on, but for the implementation of further measures we need the cooperation of the Council of Europe which is the owner of this building.

I call Mrs Buchan.

Mrs Buchan. — Mr President, I wish to raise a point of order concerning the answer given to Mr Rogers. At the distribution point just now I asked what happened to the resolution he referred to, since I too was a signatory to it. I have been told that the resolution was blocked. I want to know who blocked it and who has the power to take things that are signed by Members across all parties and across all sides of this House and block them so that they are not distributed to other Members? Under what rule was that done?

President. — Mrs Buchan, we had a preliminary discussion on it — the final decisions on the urgencies brought forward as far as the enlarged Bureau is concerned will take place tomorrow.

I call Mrs Clwyd.

Mrs Clwyd. — Mr President, I realize that you cannot answer those questions that I have put to you immediately. However, it is over 30 days and I would like a full answer to my question as soon as possible.

I also think that the Members of this Parliament have a right to a full explanation of what investigations are taking place and what results you have come to. I have been relatively patient over three years. I am not prepared to be patient any longer. We are concerned about external pollution, it is time we were concerned about our own.

4. Agenda

President. — At its meeting of 27 October 1982 the enlarged Bureau drew up the draft agenda which has been distributed.

President

At its meeting this morning the chairmen of the political groups instructed me to propose a certain number of amendments.

Tuesday:

The reports by Mr Linkohr, Mr Petersen, Mr Schmidt and Mr Gallagher on energy problems which were entered for joint debate as Items Nos 258 to 261 of the agenda will be taken individually. However, the total speaking time will remain the same.

Are there any comments?

I call Mr Seligman.

Mr Seligman. — Mr President, the result of that ruling unfortunately has worked out very badly because groups have not got enough speaking time to talk on four subjects separately. Therefore, I am asking you to extend the speaking time, possibly by cutting the rapporteurs' times. You will notice that there are 100 minutes — ten different ten-minute periods — allocated to the rapporteurs. I cannot believe that they all need ten minutes on each of their reports. So could you possibly make it the same as Thursday when they only have 5 minutes — there seems to be no logic in their having different times for Tuesday and Thursday — and thus give the groups a little more time to deal with four separate subjects properly?

(Parliament approved Mr Seligman's request.)

President. — I call Mr Key.

Mr Key. — Mr President, I understand from what you have just said that we are discussing Tuesday's debates. Can I, as the rapporteur on the report on the Discharge, and also on behalf of my group, seek that the joint debate concerning my report and a number of other reports is deferred under Rule 85(1) and 85(4). Can I ask that this whole debate take place in January 1983? I do not want to go into a long explanation but there are issues within the resolution and in certain parts of the report which I think are worthy of further discussion by the committee.

I therefore formally move that the joint debate be deferred until January 1983.

President. — I call Mr Forth.

Mr Forth. — Mr President, in the same spirit as Mr Seligman's suggestion, could I ask if you could approach the Commission informally — because you have no powers, I believe, in this matter — and suggest to them that they might restrict the length of their

contributions to that which is strictly necessary and not necessarily take up the 100 minutes we have very generously allowed them of our time?

President. — I do not wish to continue on that subject. I have to assume that the Commission is making economical use of the speaking time allotted to it.

I call the Committee on Budgetary Control.

Mr Aigner, chairman of the Committee. — *(DE)* Mr President, basically I deplore these motions, since all the reports were unanimously accepted in Committee by the representatives of all the groups, with an abstention in only one instance. On the other hand, I should of course like the whole House to be fully involved in the discharge debate. I must, however, remind Members that we are dealing with discharge for 1980 and, if we adjourn it to next year, we shall only be granting discharge for 1980 in 1983, so that we shall get seriously behind with the whole discharge process.

If we discuss discharge on Tuesday, then at least the same ruling should be adopted as for Monday, namely that the rapporteurs are only allowed five minutes, so that the groups get more time — only seven minutes have been allocated to my group, for example.

I would argue in favour of going ahead with the debate in any case and afterwards decide whether to move an adjournment or hold the vote. We should not remove this item from the agenda without further ado, because it would be simply bad for the image of Parliament if we postponed discharge on our part for three months yet again.

President. — I call Mr Kellett-Bowman.

Mr Edward Kellett-Bowman. — Mr President, I wish, on behalf of my group, to support the proposal put down by Mr Key that his own report on the discharge for 1980 be deferred until January. There are, in fact, two important matters which are not fully covered yet. One will be covered by the Battersby report on the sale of agricultural products to Russia, which forms the reason for Parliament's deferring the discharge, and the second is that there are still some outstanding items on Parliament's own discharge.

I would just use this opportunity to ask Mr Key whether it would not help him if the other reports on the discharge were to go through tomorrow and thereby clear some of the decks for the discharge resolution in January?

President. — Mr Key, may I have your reply to that direct question?

Mr Key. — Yes, Mr President, I am quite willing to accept Mr Kellet-Bowman's view that we should take the other items, namely, Ispra, the ECSC discharge, the 1979 discharge and the Wettig report on cereals.

President. — I call Mr Aigner.

Mr Aigner. — (DE) Mr President, I would advise against separate debates on the individual institutions for, in separate debates, different criteria might in certain circumstances be applied to the different institutions, and that would be wrong. We should therefore either hold the entire debate and deal with discharge or we should postpone the whole question; I should not like to see separate treatment under any conditions, and we should be agreed on that.

On the subject of the embargo, I would remind you that with your approval we expressly asked for a special report. I do not believe that we shall now reach any conclusion different to that of the previous debate. There will be harsh criticism, but we cannot change the rules. Under the rules, the Commission had an obligation to deliver in accordance with its prior agreements. That is a fact that we cannot change. Nevertheless our criticism still stands, and we therefore want a special report. This special report will not affect discharge as such, however.

On the second matter, Mr Kellet-Bowman, concerning Parliament: we are only dealing here with discharge on figures, and the figures are not in doubt. The President, the Bureau, the Committee on Budgetary Control and the House in plenary session retain the right, in the event of new disclosures, to give consideration to them. Let me therefore repeat my proposal once more, Mr President, to vote on whether to have the debate tomorrow in any case and when it is concluded — I hope we shall then still be able to get the group spokesmen together — decide whether to postpone the discharge decision again or go through with it, for we are after all legislators and a decision-making process is at issue here. But let us have the debate first, because then all the group leaders will have been able to identify and discuss the whole set of problems!

President. — Mr Aigner, I am sorry but I cannot so decide since we have to fix the agenda and I must know whether or not there is to be a debate with vote. Mr Key's proposal is clear: the presentation of Parliament's accounts and the discharge for 1980 — debate and the vote — should not take place. You have spoken against the proposal, Mr Kellett-Bowman has spoken in favour of it. We will now vote.

(Parliament approved Mr Key's request)

I call Mr Seeler.

Mr Seeler. — (DE) Mr President, I should like to repeat the request which I already made in writing. There is on the agenda for Thursday an oral question from me on behalf of the Committee on External Economic Relations on the GATT Conference next week. It was originally on the agenda for the second part-session in October but was deferred. I ask for this item to be dealt with at tomorrow's sitting for two reasons.

The Council meeting to prepare for the GATT Conference in Geneva will begin next Monday. Preparations for that meeting, however, will already be started this week. If Parliament wishes to make its voice heard, it must decide as soon as possible, if any consideration at all is to be given to what it has to say.

My second reason is, as I have already told you, of a personal nature. On Thursday and Friday my party is holding a congress, which I should like to attend. In the past such requests from Members have always been granted where possible.

President. — Mr Seeler we discussed this question with the group chairmen this morning. The Council has informed us that this question will not be on the agenda before Monday. Consequently only the personal reason you have put forward remains. We can vote on it.

I call the Committee on External Economic Relations.

Sir Fred Catherwood, chairman of the Committee. — On this point, Mr President, while I entirely accept that it may be that it is not formally taken by the Council, nevertheless it does seem to me to be extremely important, in regard to this very critical GATT meeting, that we express a view as soon as possible. I cannot over-emphasize how critical the GATT meeting is. We have tremendous protectionist pressure at the moment. This ministerial meeting needs some political guidance, it seems to me, from this Parliament. It does seem to me too that if the report is taken at an early stage and voted on at an early stage with a full House here, it would be enormously important. I very much support Mr Seeler for that particular reason.

(Parliament agreed to Mr Seeler's request)

President. — If there are no further questions about Tuesday we shall go on to consider Wednesday's agenda.

I call Sir Henry Plumb.

Sir Henry Plumb. — Mr President, on Wednesday morning we have got Lord Douro's report on the enlargement of the Community and that report, which

Plumb

is in the name of Lord Douro, is supported by Mr Sutra and Mr Ruffolo. Now, we are looking forward to this debate as one of the most important that we have had for some considerable time in this plenary session and I note that there are about 41 eminent journalists here from various parts of the world — not least from some of the countries we are talking about — and they will be here for the debate on Wednesday and, indeed, for a seminar which is taking place that day. For that reason might I suggest — and I realize that we have to look at the Rules here — that we take a vote on this report on Wednesday afternoon or evening, after the debate, if we can possibly do that. To leave the vote until Thursday, and leave one day in between, with people around who are anxious to know what the view of this Parliament is would, I think, be unfortunate, to say the least. Therefore I request that we do consider the possibility of voting on that report on Wednesday afternoon or Wednesday evening at the earliest opportunity.

President. — Sir Henry, if you want to vote on Wednesday, it would seem that the only reasonable time is 4.30 in the afternoon, at the earliest.

Is that what you propose?

Sir Henry Plumb. — Yes, that is what I propose.

(Parliament agreed to this request)

President. — With regard to Wednesday's agenda, at 3 p.m. after the vote and any objections to the list of motions for urgent debate, Mr Richard will make a statement on the amendments adopted by Parliament to the Vredeling directive on the procedure for informing and consulting employees.

It was agreed this morning on the possibility of taking a vote on the Commission's statement, i.e. on the resolution to be voted, at the December part-session.

I call Mr Glinne.

Mr Glinne. — *(FR)* Mr President, without in the least intending to criticize the Commission I would like to stress that the Communication to be made by Commissioner Richard will no doubt be very important and rich in implications. That being the case — although I know nothing more at present — it will be all the more necessary for the political groups to meet, to ask for a suspension of the sitting, etc.

For this reason I think it would certainly be ill-advised to hear Mr Richard's communication and to take the vote on the same day. I believe it is perfectly reasonable to suggest that the vote take place at the next plenary session of Parliament, as you have just done.

President. — I call Mr Nord.

Mr Nord. — *(NL)* Mr President, my group has made a note of the fact that Commissioner Richard will inform Parliament this coming Wednesday on the Commission's reaction to the amendments adopted by Parliament to the Vredeling Directive. Furthermore we note that the vote on whether to consider the motion for a resolution contained in this report is to be postponed until the December part-session. Although we have no objections to this procedure we are, nevertheless, reluctant to let matters proceed before voicing our critical endorsement thereof.

On 18 October this year Parliament voted on the Commission's proposed directive. This was followed by a Commission declaration to the effect that it would present Parliament in its November part-session with Commission's official reaction to the amendments adopted by the House to the Vredeling Directive.

We awaited the reaction with some degree of anticipation and I am sure that I do not speak alone in saying that I had been looking forward to dealing with a written communication from the Commission in the course of our parliamentary group meeting during the week of 8 November last. This was not to be. We subsequently thought that Commissioner Richard would inform the House today under the order of business which foresees speaking time for the Commission's reaction to amendments adopted by Parliament on 12 October 1982 to the Vredeling Directive. Once again our hopes were in vain. We now assume that Commissioner Richard will inform the House on this point on Wednesday and, were it not for Mr Glinne's self-confessed procedural difficulties with his group, the House would have had half a day at its disposal to study the Commission's standpoint and formulate its reaction to it thereby enabling a vote to be taken the following day on whether to consider the motion for a resolution contained in the Vredeling Directive — thus obviating the need for a carry-over to the December part-session.

Mr President, my group finds this a most unsatisfactory state of affairs. I fully appreciate that the extra time will allow the Commission to reopen its discussions with the social partners concerned but why on earth could they not have informed the House that the intervening period between the first October part-session and that of November was unrealistically short for the elaboration of a Commission declaration on our amendments.

I am afraid we now run the risk of having a similar fate befall us as that which occurred in October, namely full press coverage of Parliament's inability to reach a decision on the Vredeling Directive. We can stand by for more of the same after Commissioner Richard's statement on Wednesday, now that it has

Nord

been decided to postpone the voting until the December part-session. The public may not discern that the real reason for this postponement is that the Commission, in presenting its reaction at the eleventh hour, precludes intensive consideration by the groups in the House.

(Applause)

Mr President, you appreciate the esteem in which I have always held the Commission in general and in particular the Commissioner who now finds himself, although he is by no means the first, subjected to this cold douche.

I feel that there is a lesson to be learned from this state of affairs, namely, that the first application of our new Article 36 should be an appropriate one and that, should it ever prove necessary to resort to a to and fro between Commission and Parliament on a draft legislative directive of immeasurable importance, the Commission will realize that it is not only necessary to perhaps hold consultations with concerned parties outside Parliament but also to present its findings to the House in good time thereby enabling us to hold the necessary consultations prior to vote taking.

I would reiterate once again, Mr President, that we are in no way opposed to the procedure but would point out that the Commission has been remiss in coming forward with its reaction at such a late hour as to preclude the taking of a vote during this part-session, and we would hope that Commissioner Andriessen will see to it that a similar state of affairs does not recur.

President. — Mr Nord, the debate is now getting somewhat sidetracked but you have quite rightly pointed out its relevance in the context of the further application of Article 36 of which this presents the first case. Consequently I shall call Commissioner Andriessen to present the Commission's point of view, after which several Members have indicated their desire to speak.

I call the Commission.

Mr Andriessen, Member of the Commission. — *(NL)* Mr President, I appreciate Mr Nord's reaction and the possible desire of the House to hold further consultations on the contents of the Commission's declaration on this important topic. This may not necessarily be the case, for it depends entirely on the contents of the Commission's statement to the House this coming Wednesday morning.

Perhaps Mr Nord was right in stating that the Commission should have asked for more than one month in which to elaborate its reply. But we considered it nonetheless feasible for the House to maintain the ori-

ginal timetable by taking note of the Commission's reply during the plenary session and holding consultations on it within the parliamentary groups on the Wednesday and part of Thursday of the same part-session before taking a vote immediately thereafter. You may rest assured that the Commission is interested in seeing this matter dealt with as rapidly as possible.

Parliament has tabled some very pertinent amendments to the Commission's original draft text. The Commission had stated the eventual necessity, in the wake of Parliament's debate on the subject, of consulting the social partners once again, and this is what we have done. It is, at the very least, most unusual that the Commission should take a stance on an issue with ramifications as important as this, on the basis of only two readings or that it should endeavour to finalize its position a mere 7 days after having voiced an initial statement on the matter.

Mr President, I deeply regret that these factors have contrived to cause a delay of one week in the Commission's timetable but I would have thought it possible for Parliament to decide in this plenary part-session on the admissibility of the resolution. Regarding Mr Nord's statement on Article 36 I would remind the House that the last thing the Commission wants is to prejudice the legitimate rights of Parliament as contained in its Rules of Procedure. The Commission's realistic appraisal of the preliminary work involved prior to submitting its reply to the House, with the resultant delay which has arisen, should not in any way be construed as an attempt by the Commission to abuse this article. The Commission looks forward to using this article to assist it to maintain a positive dialogue with this House.

The fact that the Commission got the timing wrong on this important matter should in no way be construed as a lack of respect for Parliament's opinions. On the contrary, it is the Commission's desire to lend full weight to these opinions — a fact which I hope will be confirmed by our definitive statement on Wednesday — which got us into the present situation.

President. — I have received a large number of requests to speak and I think it would not be right to initiate a political debate which would be out of place at the moment. Although it could do so, the Commission does not automatically take Parliament's opinion literally. In this case Parliament needs time to consider. I feel that it would be difficult to do this on Thursday evening within the political groups in the absence of any texts whatsoever. I therefore feel that it would be better to hold over the vote until the December part-session and to hear the Commission's statement at Wednesday's sitting as I already proposed.

Are there any objections?

That is agreed.

President

I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — *(DE)* Mr President, if we are speaking in accordance with the Rules of Procedure, I would merely point out that, according to Rule 36, paragraph 2, a report of the committee responsible, the Committee on Social Affairs and Employment, is required . . . not could be, but is . . .

President. — Mr Sieglerschmidt, there is no point in discussing that now. If we hold over the vote until December it will be possible for us to clarify all these matters in the intervening time.

Mr Sieglerschmidt. — *(DE)* Mr President, nothing needs to be clarified, the position is clear! The Committee on Social Affairs and Employment must, according to the Rules of Procedure, report to the whole House in December.

President. — Good but we do not have to establish that here.

I call Mr Moreau.

Mr J. Moreau. — *(FR)* Mr President, I wish to speak on another point; I tried without success to be recognized a moment ago before you took the vote on the Douro and Sutra reports.

While agreeing with what you have said, I simply wished to ask if, according to Wednesday's agenda as you see it, there will in fact be time enough to take the Ruffolo report, for we had asked that it be included on Wednesday's agenda so that the Council could form its opinion.

If I understand correctly, the course of the debates may once again make it impossible to hold this discussion on that day. I would simply like to know how you view Wednesday's agenda and how much time you are planning to devote to the Ruffolo report.

Permit me to remind you that, as far as the report is concerned, we were obliged to ask the Bureau to reverse a previous decision. Once again we are in danger of having our time reduced to fit into the slot left for us, although Parliament's opinion on this report is indispensable before the Council enacts the legislation.

President. — Mr Moreau, the question you have just raised concerns the political groups and the way in which they divided up their speaking time amongst their members. Parliament has just decided that the vote on the Douro and Sutra reports will be held at 4.30 p.m. If the political groups organize their business in such a way that the Ruffolo report can also be con-

sidered — and I feel that that is possible — then there will be no problem. Otherwise it will be considered on Thursday.

With regard to Thursday's agenda, Mr Dalsager will make a statement on measures to promote butter sales at 3 p.m.

The Kirk report on fisheries and the Vgenopoulos report on oils and fats were not adopted in committee and have been withdrawn from the agenda.

At the rapporteur's request, the Seefeld report (Doc. 1-834/82) on the carriage of goods by road will be taken without debate and placed on Friday's agenda.

I call Mr von der Vring.

Mr von der Vring. — *(DE)* Mr President, I refer to item 282 in connection with Rule 59 of the Rules of Procedure, which lays down the time-limits for the tabling of motions for resolutions. I know that we could ruin our work here with formalities, particularly in relation to time-limits. But, Mr President, the rights of Members could also be eroded to almost nothing by excessive generosity.

The Collins report here is a report which is of special interest to my constituents. In the past week I have tried in desperation to obtain this text. Our group had a meeting in Paris and we could not get hold of the report there. It was not available. I went through my mail at the weekend, and the report was not in it.

Today I found this text in my pigeon-hole! It was in my mail slot here in this House at 4 o'clock this afternoon! I do not know whether Rule 59 requiring distribution 'at least twenty-four hours previously' applies here or not, but one thing is clear: if I take my status as a non-member of the Committee seriously and wish to be in a position to inform myself and form an opinion of my own, so that I am then able to table amendments, it is laughable that the text reaches me today, Monday, and I am then to study it and decide what my attitude is to be. That cannot be brushed aside with a reference to the possibility open to us of tabling amendments.

It says in the text that the time-limit for motions expired on Friday of last week at 12 pm. I tabled my amendments on supposition based on a draft from the Committee, but I am now forced, after reading through the text, to table further, very hasty amendments. I ask you first, Mr President, to elucidate whether it is at all admissible to include the report on this agenda, despite the fact that it was only distributed on Monday. Secondly, since on past experience I think you will disagree with me, I ask you to see whether at least the time-limit for tabling amendments cannot be extended to Wednesday.

President. — Mr von der Vring, I must draw your attention to Rule 59 which stipulates that a vote shall not be opened on a text unless it was tabled not later than 12 days before the beginning of the part-session — which is in fact the case — and distributed at least 24 hours previously, which will also be the case if we vote on Thursday or Friday.

Therefore from this point of view there is no problem. However, I interpret your comment as a request to hold over the Collins' report on baby seals until a later part-session. This point was discussed this morning with the chairmen of the political groups and it was decided not to change the agenda for the simple reason that this question will be considered next week by the Council of Environment Ministers. We felt that Parliament could not let this opportunity pass.

I call the Committee on Agriculture.

Mr Curry, chairman of the committee. — Mr President, you said that Mr Dalsager, the Agriculture Commissioner, would be making a statement to this House on dairy policy on Thursday. This policy covers a number of important aspects. There is an export aspect; there is an extremely expensive scheme for domestic disposal; there are also important matters affecting farm incomes.

What is the status of the statement Mr Dalsager is going to make? Is the Commissioner informing this House, or is he consulting this House in accordance with the promises made by Mr Cheysson when he was sitting on the Commission benches and by Mr Jenkins when he was President of the Commission? If the Commissioner makes a statement on Thursday, it will be quite impossible for this Parliament to react to it during the course of this part-session, whereas if the Commissioner who is here were to make a statement this afternoon, that would give the House the opportunity to formulate its opinions, if necessary in the form of an urgency motion.

It seems to me, Mr President, that the Commissioner is quite simply informing this House, and as usual we appear to be last in a long line of people to be informed. It seems to me quite preposterous that we should have this slipped in near the end of our agenda, when the Commission could quite easily make a full statement early on in time for this House to respond. I trust that in choosing to make his statement on Thursday — and of course we appreciate the Commissioner's desire to be here to make the statement in person — he intends to defer any decision until we will have had a chance to discuss this and to be consulted on it fully at our next part-session.

President. — Mr Curry I do think that with the written information available, and with the urgency motions being dealt with on Thursday morning at the

latest, we can have a debate which will be certain to have an impact on the Commissioner before he makes his statement. I do not know whether that will change his statement. However, with the written information available and distributed, this is the best possibility afforded us by the Rules of Procedure.

Mr Curry. — I am not talking about procedure, Mr President, I am talking about democracy.

President. — Mr von der Vring was objecting to the Collins report on baby seals being on Thursday's agenda, if I understood him correctly. Does anyone want to keep this item on the agenda?

I call Mr Collins.

Mr Collins. — First of all, Mr President, I do not think that your interpretation of Mr von der Vring's request is correct. Mr von der Vring was, in fact, asking for the postponement of the deadline for tabling amendments. That is a very different thing from postponing the item on the agenda. If you care to separate these two, then first of all I have no objection at all to the postponement of the deadline for amendments. If you would like to take that point first, then perhaps you will spare me the need to make a speech about keeping the item on the agenda. However, I am prepared to make that speech also, if necessary, and reserve the right to do so.

President. — Mr Collins, the only possibility is to fix the deadline for tabling amendments for tomorrow morning at 10 o'clock at the latest. Otherwise it is not possible to have them translated, distributed and so on.

Mr Collins. — If that is satisfactory to the people who are making the request, then it certainly does not meet with my disapproval.

President. — I call Mr Gautier.

Mr Gautier. — (DE) Mr President, I remember that we decided in the Committee on Agriculture to ask the Bureau to consult our Committee on this question too, because seal culling also has a bearing on the fishery negotiations currently in progress and on the agreements with third countries.

According to certain rumours — I am not a member of the Committee — the chairman of the Committee on External Economic Relations has also asked that his Committee be consulted, since the Commission has based its proposal, which I too have only received today, on Article 113 of the EEC Treaty, and that is concerned with questions of external trade.

Gautier

How did the Bureau deal with these two requests? Should you not secure a decision?

President. — Mr Gautier, as I explained, the Committee on External Economic Relations and the Committee on Agriculture asked for this report to be taken later. At the same time, there is the fact that the Environment Council will deal with it next week and it would be somewhat silly for Parliament to take a position *after* the Council has taken a position. For that reason I think the request to delay a little the moment for tabling amendments is a reasonable one, but for all kinds of practical purposes it is impossible to go beyond tomorrow morning at 10 o'clock. That is the only thing in the way of compromise which can be done.

I call Mr von der Vring.

Mr von der Vring. — (*DE*) Mr President, I should like to refer to your remarks on Rule 59. In the German version, what this 'twenty-four hours previously' applies to is open to different interpretations. But I would ask you to consider — and, if need be, refer the matter to the Committee on the Rules of Procedure and Petitions — whether it is not absurd that a motion for a resolution has to be presented 24 hours before the vote, but a motion for an amendment to the resolution even earlier for printing reasons. The '24 hours before the vote' interpretation then makes no sense.

My understanding of Rule 59 is that these documents must be distributed in writing 24 hours before the sitting begins. Only that interpretation makes sense from the point of view of Members.

We have got used to hopscotch politics here, and there is always a technical justification for it. But for many Members of Parliament, who are not members of the committees concerned, the extent to which they are excluded from the decision-making and policy-forming process of this Parliament is gradually developing into a scandal.

President. — The documents on baby sealskins were handed in on 29 October, . . .

Mr von der Vring. — (*DE*) But not distributed!

President. — . . . and distribution was begun on 10 November.

Mr von der Vring. — (*DE*) Mr President, please allow me to add something else.

(*Cries*)

I would ask Members not to get excited. Even if distribution began last Monday it so happens that I only received the text this morning so that, as a Member, I was not included in it. Distribution must be carried out in such a way that Members who are involved in this travelling circus also receive the documents.

President. — Mr von der Vring in any event the documents were on their way. If you had travelled to Luxembourg by bicycle you would have received them on the 10th. That was not the case, but nonetheless distribution had already begun more than 24 hours before the debate, pursuant to Rule 59. I realize that this is unsatisfactory but it is nonetheless correct.

I call Mr Gautier.

Mr Gautier. — (*DE*) Mr President, you say that, because the Council meets next week, it is not possible for the rights of Parliament to be upheld. Two committees, which clearly felt that they were affected, cannot express their views for no other reason than the Council's deadline difficulties. But cannot the Council also meet in December and take a decision?

Who in fact are we, if we have to take account of the fact that the Council meets on the 3rd and 4th? Let us call on the Council to hold its meeting on 17—18 December or 3—4 January, if it is only about seals in any case. That would allow sufficient time, since the Regulation is not due to take effect until 1 March 1983. If two committees — and not the least important ones — demand that they be consulted, I cannot understand why the Bureau does not give them the opportunity to present their views.

President. — Mr Gautier, the committees concerned can also deliver an oral opinion this week.

I call Mr Provan.

Mr Provan. — Mr President, can I have an assurance from you that the opinions of those committees will be available before there is a vote taken in this House? There is an administrative problem in this connection in that the two committees were not formally invited to deliver an opinion at the right time — they had to ask to deliver an opinion rather than being asked to provide one. I would have thought that in normal circumstances, where we have proposals from the Commission, it comes to the Parliament's services and they then look at the matters to see which committees are affected. In this case we are seeing a withdrawal from GATT on moral grounds for the first time ever in the Community's history, a very fundamental move, and also, perhaps, the opportunity of a common fisheries' policy not being achieved as a consequence of the Canadian agreement.

President. — Well, as I said, there is a possibility for an oral opinion. There is no other possibility this week.

Since nobody is asking for the debate on seal pups to be delayed, it remains on Thursday's agenda.

I call Mr Barbi.

Mr Barbi. — *(IT)* Mr President, pursuant to the written request I submitted to you, I now ask once again that, in accordance with Rule 42(1) of the Rules of Procedure, the oral questions on the problems of the automobile industry scheduled for next Thursday's sitting be discussed together with the report which the competent committee prepared on the same question two months ago.

President. — Mr Barbi, as you are aware the enlarged Bureau discussed questions concerning motor vehicles on several occasions. It decided that if the committee's report could not be dealt with one would at least consider the Oral Questions within a fixed period of time. That is why these questions are on the agenda and I propose to keep them there.

Nonetheless I must submit the matter to the House.

(Parliament decided to withdraw these items from the agenda)

I call Mrs Veil.

Mrs Veil. — *(FR)* Mr President, I am not too sure that we have not had some confusion just now. The fact is that normally we do not vote on whether items are to be kept on the agenda but on whether the agenda is to be amended. I am not sure that everyone understood that what we were voting on was whether we would keep these items on the agenda, not whether the agenda was to be changed.

President. — Mrs Veil, I propose that they should be kept on the agenda. It was necessary to vote for or against; that was done and that seems to me to have been the logical thing to do.

I have received from the Communists and Allies Group a request for referral back to committee, pursuant to Rule 85 of the Rules of Procedure, the report (Doc. 1-657/82) by Sir James Scott-Hopkins on Southern Africa.

I call Mr Chambeiron.

Mr Chambeiron. — *(FR)* Mr President, I would like to explain briefly the reasons which led my group to ask that the Scott-Hopkins report on South Africa,

which is to be debated next Thursday, be returned to committee.

I naturally have no intention of commenting on the content of this report; I wish merely to raise the question of timeliness. Allow me to call Parliament's attention to the fact that the report in question was drawn up long before the Rome meetings of the Joint Committee and the Consultative Assembly of the ACP, attended by representatives from some sixty Lomé countries.

At the time when it was written, the report presented to us on behalf of the Political Affairs Committee could not, understandably, anticipate the decisions the Consultative Assembly would make in Rome. But today we may well ask if it is possible to go on as if nothing had happened. The Consultative Assembly adopted the resolution prepared last February by the Joint Committee, and I wish to stress that this resolution was accepted by a majority of the members of the European Parliament who attended these meetings. Under these circumstances, a failure to take this vote into account could mean two things, in my opinion: on the one hand, it could indicate that the members who voted for the resolution a week ago have forgotten it and will pay no more heed to it, which I cannot believe; on the other hand, it could indicate that we consider the commitments made to the ACP countries to be of negligible importance. I believe that would be a political error which would certainly raise doubts on the part of our partners in the Lomé Convention concerning the nature and quality of the commitments made by those of us who are members of the Joint Committee and the Consultative Assembly. How much credibility would we have after that? How much authority would Parliament have? I think this is a question we must ask ourselves.

Another question comes to mind: what would be Parliament's position in respect to the Council of Ministers if this latter, basing itself on the decisions made by the Consultative Assembly, decides to be guided by the resolutions adopted in Rome and not by the resolutions approved in Parliament? I appeal to the wisdom of the Assembly, so that at least the majority of its members may decide that the Scott-Hopkins report should be returned to committee for further study.

President. — I call Mr Barbi.

Mr Barbi. — *(IT)* Mr President, I do not understand why our Assembly should not examine the Scott-Hopkins report, which was extensively discussed in the Political Affairs Committee. Parliament may eventually present amendments to the report itself, and I think it is time that Parliament took a stand on this issue.

President. — I call the rapporteur.

Sir James Scott-Hopkins, rapporteur. — Mr President, I am glad that this issue has been raised in the way that it has and I am grateful for the two contributions that have been made. I must confess to you, Sir, the greatest disappointment possible in the way that the agenda has been drawn up for this particular part-session. The idea of having this debate, which is coming on at about 5 o'clock on a Thursday evening, with the voting taking place at 6 o'clock, not on the report but on other reports, and then going on sometime into the night with the voting on a Friday morning, is not, I believe, in the best interests of the Parliament. This is an issue which unfortunately, or fortunately, is extremely emotive — you know this as well as I do. There are over 100 amendments — by the way, I have only got 5 minutes as the rapporteur, which is really a little difficult.

I hope that we shall not send it back to committee because there is really nothing further to be done at that stage. We had a discussion in the Political Affairs Committee following the meeting in Zimbabwe, when Mr Lezzi's opinion — which is a very good and comprehensive one — was put before us, and it is attached to my report. There is nothing that has changed in Rome following what happened in Zimbabwe, and so the Political Affairs Committee is fully aware of the views of the ACP countries, and this House will also be fully aware of them if they have done me the honour of reading my report. And as Mr Barbi so rightly said, amendments can be put down. But, Mr President, may I say to you that by far the most satisfactory solution would be for this report to be taken on Thursday morning, if that were possible. That means, of course, putting the emergency debates on Thursday night, which is where they normally ought to be.

If they are taken on Thursday morning, that would be acceptable. If they are taken on Thursday at 5 o'clock, I would object to that and I would ask for a postponement until a future date.

President. — I call Mr Seal.

Mr Seal. — The rapporteur has made a proposal, Mr President, which you must take into account. The rapporteur has recommended that it be deferred if it cannot be taken earlier. Now this must be taken into account by the House.

President. — No, Mr Seal, what can happen is that people bear in mind the suggestion made by the rapporteur. What I have before me is a formal proposal by the Communist and Allies Group to refer back to the committee and I have to put that to the vote.

I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — The rapporteur also made a suggestion, which may be decided, later, about when we take urgencies.

President. — Mrs Kellett-Bowman, we are discussing a concrete proposal by the French Communist Group to refer back to the committee and I am not concerned at this stage with any suggestions. We are discussing a proposal and I want us to vote on that proposal. Later on we may have a different situation but at the moment there is only that proposal and we are going to vote on it.

(Parliament rejected the proposal to refer the report back to committee)

Pursuant to Rule 56 of the Rules of Procedure I have received:

- a request from Mr Forth and then other Members that the topical and urgent debate be put on Friday's agenda from 10 a.m. to 1 p.m.;
- a request from Mr Berkhouwer, on behalf of the Liberal and Democratic Group, that this debate be put on Thursday's agenda from 9 p.m. to midnight.

I call Mr Forth.

Mr Forth. — Mr President, may I please preface my comments by making an observation on what has been going on in the House for the last few minutes. A lot of people — including, I regret to say some group chairmen — appear to be ignoring Rule 56 and making proposals to change the agenda spontaneously and orally, thus causing much confusion. If, Mr President, you were to be more strict in your ruling and insist that even group chairmen stick to Rule 56 and submit their suggestions in advance and in writing, then I suggest that we would have avoided a lot of the confusion which has arisen. I leave that thought with you for the future because I believe it might be a helpful suggestion.

Now, as to my own legitimately tabled suggestion to change the agenda, submitted with ten signatures an hour before the sitting, may I say to the House, that I am disappointed that you were unable to adhere to the decision made by the House itself last session to move urgencies to Friday and I was disappointed to see them back on the Thursday. I have therefore resubmitted the suggestion, and it is for the following reasons.

First of all, I believe that last session we got through our business more expeditiously and efficiently than probably ever before, and to my recollection we completed all the official business on the agenda.

Secondly, I believe that the urgencies were dealt with on the Friday morning in an atmosphere and spirit of cooperation and goodwill and were again dealt with effectively and expeditiously, and I think this was to the credit of the House.

Forth

Thirdly — and I think this has a bearing on some of the things that have happened today — it gave the House more time to consider matters which were deemed urgent in order for people to come together and to concert and to conciliate and to work out texts. I believe that if we stuck with the suggestion — and I am making it again this session — to have the urgent and topical debates on Friday, it would allow us to continue the excellent work we did last session and will give us due time for deadlines for amendments and to agree texts. Therefore, it is in that spirit that I hope the House will verify the decision it so wisely took last session to move the time for topical and urgent debates to the Friday morning from 10 o'clock to 1 o'clock.

President. — Mr Forth, I have to point out one thing and that is that when you moved to have the urgency debate on Friday changed, you did so under Rule 56 which limited it to one week of a specific month. It has no permanent application.

I call Mr Nord.

Mr Nord. — (*NL*) Once we had the good old times when topical and urgent debate took place on Thursday evenings. That was a good time because we always had quite a full House and a remarkable feature was that Members who had something urgent on Monday, found it incumbent upon them to be present in the House on Thursday evening to back up their request or at the very least, to preside over its destiny in the House. Subsequently the Bureau, in its wisdom, put forward the treatment of topical and urgent debate from Thursday evening to Thursday morning, which, alas, sounded the death-knell for the good old days, Mr President. For the Thursday evening sittings were subsequently very sparsely attended, and those of Thursday morning hardly any better. Then we had the phase analogous to that now proposed by Mr Forth, the treatment of topical and urgent debates on Friday mornings. Although my group considered this solution to be somewhat less than ideal it nevertheless had the merit of putting the discussion on the optimal time for handling topical and urgent debate back onto the agenda. That explains my vote in favour of Mr Forth's proposal last time around. Now that the affair is rolling again my group would like to suggest that Parliament return to the good old days of late Thursday night sittings with those Members who are honest enough with themselves in feeling that a topic considered urgent on Monday was no less so on Thursday and therefore merited their presence in the House and the handling of the topic in question within the same part-session.

I would like to point out, in closing, Mr President, that the Rules of Procedure do not in any way oblige the Bureau to hold topical and urgent debates for three hours in succession. I feel that the requests for

so-called urgent debate emanating from this House are not such as to merit sacrificing our Thursday mornings. Should a really meritorious request for urgent debate stick out from among the manifold requests from time to time then you, Mr President, could always ordain that it be handled in isolation on Thursday morning, while leaving the others for later that evening. Consequently, it is not a question of all or nothing but rather an attempt to restore the treatment of topical and urgent debates to the slot in which you, Mr President, so astutely placed them, namely Thursday evening.

President. — I call Mr Barbi.

Mr Barbi. — (*IT*) Mr President, firstly I wish to assure Mr Forth that I had presented a written request for the elimination of the three questions from the agenda. I would also like to express my group's opposition to Mr Forth's proposal to hold the urgent debates on Friday. Since urgencies nearly always have to do with current political problems, it is strange to suggest that they be discussed at the last sitting of the part-session, when many members, for obvious reasons, will not be able to attend. I think that the proposal to hold these discussions at the afternoon sitting is inappropriate for the same reasons, with the additional consideration that the press is normally no longer represented in the Chamber at that stage. I will reiterate my group's opinion, therefore, that the agenda should be retained as it stands.

President. — I call Mr Rogers.

Mr Rogers. — Mr President, it disturbs me very much to find group chairmen getting up to speak on every issue.

Now, as far as the agenda is concerned, I want to know first of all whether Mr Nord has submitted his amendment to the agenda in writing, pursuant to Rule 56.

Mr Nord. — Yes, sir.

Mr Rogers. — If he has done so, that is fine. . .

President. — Mr Rogers, you have to assume that points I allow are in conformity with the Rules.

(*Applause*)

Mr Rogers. — Well, Mr President, on the basis of today's ruling I do have doubts. I am wondering how you allowed Mr Barbi to speak, because under Rule 56 it says that you will allow one speaker in favour and

Rogers

one speaker against the motion, and I heard Mr Forth speak in favour. . .

President. — Mr Rogers, there again you are wrong. Mr Forth was a mover and Mr Nord, speaking on behalf of Mr Berkhouwer, is to be considered as a mover too. Mr Barbi was speaking against, so that was fully in conformity with the Rules.

Mr Rogers. — Mr President, I accept your ruling. You are right. But let us get on with the vote.

(Parliament rejected the requests of Mr Forth and Mr Berkhouwer.)

President. — I call Sir James Scott-Hopkins.

Sir James Scott-Hopkins. — In view of the result of that vote, Mr President, I am reluctantly forced to ask the House if they will consider a motion under Rule 87(1) to postpone the South Africa debate until the December part-session. There are, I believe, 140 amendments tabled, and it cannot possibly start now until 5 p.m. on Thursday. There is no alternative left open to me.

President. — Sir James, at this particular moment you cannot do that, because we are in the process of fixing the order of business for the rest of the week, and, as stated in Rule 56:

. . . without amendment other than such as may be proposed by the latter (the President) or to him in writing by at least twenty-one Members, on the understanding that a political group or at least ten Members shall have the right to propose, at each part-session, one amendment to the draft agenda.

That means that it has to be done in writing, but under Rule 87 it is still possible during the part-session, before or during a debate on an item on the agenda, for a Member to move that a debate be adjourned.

Sir James Scott-Hopkins. — Mr President, I would never query your interpretation, but Rule 87 does say:

Before or during a debate on an item on the agenda, any Member may move that the debate be adjourned to a specific date and time.

That is exactly what I have done. It does not have to be done on the day of the debate, in my interpretation. Of course I will bow to your decision, Mr President, but that is the interpretation that I put on it.

President. — No, Sir James, that is in clear contradiction to Rule 56. I am very sorry about that. I think that

Rule 87 means that before the beginning of the debate, in practical terms at the beginning of the session during which the debate on South Africa is due to take place. You could then propose it and withdraw it from the agenda.

Sir James Scott-Hopkins. — With the greatest respect, sir, is it not damned silly to do that? Everybody will get all worked up about it and not know what is going to happen one way or the other. If it is your wish I can certainly move under Rule 87 after you have finished this particular debate on the adjournment, and before we start today's agenda. But it really does seem damned silly to have to wait until Thursday before doing it.

(Applause)

It is an obvious issue which is necessarily going to be put to the House and doubt is always dangerous in parliamentary affairs, as you know full well, Sir. Therefore, if you want me to do it in five minutes' time when you have finished this particular part of the agenda, I will do so. That is up to you, Sir.

President. — Sir James, I leave it to the House, because there is a problem between Rule 56 and Rule 87. I would not try to undermine Rule 56 to any considerable degree because that would mean that would open the door to all kinds of changes in the agenda, even without giving prior warning in writing to the Bureau. That would mean any and every surprise would be possible. But if the House by a majority decision feels that your request to vote now on the admissibility of a debate on South Africa on Thursday is acceptable if it is declared admissible, I shall accept that a vote be taken on the question whether we discuss it on Thursday or not? Does the majority of the House feel that the request of Sir James Scott-Hopkins on the basis of Article 87 is admissible?

(Parliament approved the admissibility of Sir James Scott-Hopkins' request)

There is a clear majority who feel that the question is admissible under the orders of the day.

I call Sir James.

Sir James Scott-Hopkins. — I request that we adjourn the debate until the December part-session.

President. — I propose postponing the debate to one of the next part-sessions, because I cannot promise that it will be referred to the December part-session, which is rather crowded with a lot of budgetary matters and so on. Otherwise you would again run the risk of falling between the Thursday afternoon and the Thursday evening sittings.

President

I call Mr Barbi.

Mr Barbi. — *(IT)* Mr President, I think that there are no grounds for Mr Scott-Hopkins to fear that there will not be time enough to discuss his report. We have taken two important matters off the agenda, which will make it possible to devote plenty of time to the debate on South Africa.

(Parliament adopted the proposal to hold over the debate on South Africa until a later part-session)

President. — I call Mr Key.

Mr Key. — Mr President, can I just seek clarification on a statement you made after I moved that my report on the discharge for 1980 be held over. When you actually read it out, you referred to Item 1. In fact I moved, with the agreement of Mr Kellett-Bowman, that items 1, 2 and 3 — in fact my whole report — be held over, and I understand that is the situation according to your staff.

President. — I call Mrs Weber.

Mrs Weber. — *(DE)* Mr President, it is not easy on the back benches to draw the Bureau's attention to oneself. I have two questions, which I hope are simpler to answer than previous ones.

The first concerns my report on discharges of cadmium into Community waters, which is the last item on the agenda for Thursday evening. From experience, it looks as though these last reports will be systematically held over till Friday morning. I should like to make a formal request for these reports to be scheduled for Friday morning since, for the same reason as Mr Seeler, I cannot be present on Thursday.

My second question: it surely creates difficulties for all Members of Parliament if they do not have reports sent to them until Thursday afternoon. If a rapporteur does not even get a report until Monday midday it becomes an impossible task to ensure that all motions for amendments are handed in the proper manner on the previous Friday. For the sake of an orderly conduct of business, therefore, I ask that the time-limit for the tabling of amendments be set for Wednesday at noon.

President. — I call Mr Irmer.

Mr Irmer. — *(DE)* Mr President, after Mr Key's clarification, I should nevertheless like to ask whether my report on action taken on the discharge decisions is likewise to be removed from the agenda. If not, I

should like to make an explicit request for the report to be held over also, since there is no point in having a separate discussion tomorrow on action taken on discharge decisions unless the debate on the 1980 discharge is to take place at the same time. It will then be without reference and will not be meaningful.

President. — It is somewhat difficult to deal with the agenda at the plenary sitting. That is not possible.

I call Mr de la Malène.

Mr de la Malène. — *(FR)* Mr President, I would like to speak after the agenda has been decided upon. It seems that at the moment we are still dealing with questions about the details of the agenda, but I would like to be recognized as soon as the agenda has been fixed.

President. — Mr de la Malène that is exactly what I am hoping for.

I call Mrs Veil.

Mrs Veil. — *(FR)* Mr President, I believe that the new interpretation of Rule 87 makes it desirable to change Rule 56 of the Rules of Procedure, for the situation is becoming absurd, and a procedure does exist! You should have been notified of any requests to change the agenda an hour before the beginning of the sitting. Since we admit that Rule 87 can be applied immediately, I think the Committee on the Rules of Procedure and Petitions should work to reconcile these two rules.

President. — I fully share your view, Mrs Veil, since one is getting into deep water which could be dangerous for fixing the order of business.

I call Mr Sutra.

Mr Sutra. — *(FR)* Mr President, a moment ago Sir Henry Plumb stressed the importance of Wednesday's debate on enlargement and informed us that journalists from all over the world would be present at a seminar organized by the Commission; he even asked that the vote be taken in the afternoon, which was agreed to in view of the importance of this debate.

I remind you, Mr President, that you have authorized a meeting of the Committee on Agriculture from 11 a.m. to 1 p.m. on that morning. I would not wish us to present the press from all over Europe with the spectacle of an empty Assembly, considering that, with 41 members, the Committee on Agriculture is one of Parliament's largest. Nor would I wish the people who presented amendments, if only to my report — itself of direct interest to the Committee on Agriculture,

Sutra

which adopted it a few days ago — to be absent, or the Minister of Agriculture of Denmark, the President-in-Office of the Council, to find himself before an equally empty Committee on Agriculture. Consequently, I ask for no vote, and I leave it to you, Mr President, for I know that you are the one responsible for authorizing committee meetings during the plenary session. However, I will ask you to study the matter, together with the chairman of the Committee on Agriculture, my friend David Curry, in an attempt to determine whether we could postpone until the next day. . .

President. — Mr Sutra, one may not put questions to the Chairman of the Committee on Agriculture during a plenary sitting.

Mr Sutra. — (*FR*) I am not asking the chairman this question, Mr President; rather I am asking you, since you are the only one who can authorize the Committee on Agriculture to meet. I ask you to withdraw this authorization and to ask the Committee on Agriculture to receive the President-in-Office of the Council at a later date, perhaps the following day, for it seems to me impossible for the Committee on Agriculture to hold a two hour meeting at precisely the time when an important debate on enlargement will take place, a debate which will also include a report by the Committee on Agriculture, I believe there is an undesirable conflict here, and I ask you to put it right.

President. — I call Mr Johnson.

Mr Johnson. — Mr President, I want to take up Mrs Veil's point, because it is important. I would like to hear you confirm from the chair that the decision we took in the case of the report by Sir James Scott-Hopkins was a totally exceptional procedure. The decision of the Bureau, which is recorded in the Bulletin of 15 November, says: 'The enlarged Bureau confirmed that no procedural motion moved in plenary sitting and requiring a decision by Parliament could be put to the vote until the next voting time or until its turn on the agenda was reached.' I would like you to confirm that this is the decision that will govern our proceedings. I would be most unhappy, Mr President, for reasons you can understand, if there were further attempts to use Rule 87 as a way of changing the agenda.

President. — Yes, Mr Johnson, but that does not solve the problem. Rules 87 and 56 can still be dealt with in a contradictory way, and I think that was not the problem of the earlier decision.

I call Mr Sherlock.

Mr Sherlock. — Mr President, I had the impression that you announced that the discussion on the agenda

was closed and that shortly after you uttered those magic words, for which we had all been longing, we had a request from Mrs Weber that her report on cadmium, a matter of very considerable importance, be moved to Friday morning. Did I get that wrong?

President. — You got it right, Mr Sherlock. The last reports on Thursday tend to be held over until Friday morning. We do not have a specific agenda for Friday, because Friday's agenda is the continuation of Thursday night's. Unless it is a report without debate, it is impossible otherwise to put it on Friday morning's agenda.

Mr Sherlock. — This tendency to drift, Mr President, is well-known to me, as I am a regular late night performer in environment debates, which always finish up around midnight on a Thursday, having given way to a lot of statements during the urgent debates earlier in the day which will be totally ignored by the recipient governments. But is this merely a slide-over which you are acknowledging? If not, the move cannot have been made under any rule that I know, and it is unfortunate that it came after you had made the announcement that we had come to the end of the agenda business.

President. — I call Mr Seeler.

Mr Seeler. — (*DE*) Mr President, we decided earlier to discuss the GATT report tomorrow morning. I have now just been informed that the Commission representative, Mr Haferkamp, cannot be here before 10 am. Since, as we know, according to the Rules of Procedure, it is not possible to make any further changes in an amendment once it has been finalized, I should like to ask your advice on how we can make it possible for the Vice-President of the Commission to be present.

President. — I do not know what we can do. We have decided that the GATT will be the first item on tomorrow morning's agenda.

I call Mrs Weber.

Mrs Weber. — (*DE*) Mr President, I want to refute what Mr Sherlock said most emphatically! I had asked to speak at the beginning of the debate on the agenda for Thursday, immediately after Mr Seeler, in order to request that my report be held over until Friday. Since you did not call me, I was only able to get a hearing in plenary sitting when you had already declared the agenda to be settled. It was not a procedural error, and I would ask you to take a fresh decision.

President. — Mrs Weber, it is not possible on the basis of Rule 56 to change the time on which a debate

President

should take place. Such a proposal must be made in writing one hour in advance. That was not done, but experience has shown that the last item on Thursday's agenda automatically becomes the first item to be taken on Friday.

Are there any further comments?

(Parliament adopted the agenda as amended)

I call Mr de la Malène.

Mr de la Malène. — *(FR)* Mr President, I regret that the speech I feel compelled to present on behalf of my group has to be made at such a late hour and before such an empty House. I regret it even more since this speech — forgive me — concerns you personally. If I did not speak to you on this subject this morning, it was only because I did not then know that I would be obliged to do so.

In the course of the afternoon my group has learned of the statement that you felt it your duty to make as President of our Assembly following the death of Mr Leonid Brezhnev. Neither I, nor my group, has any intention of stirring up controversy in connection with the death of a statesman, even though we considered this one to be an opponent. He is dead, and we have no wish to argue about him.

However, my group asked me to tell you that it was surprised by the statement you made — not as an individual, for as such you are free to say what you choose — but as President of our Assembly. You felt obliged to say in this statement that as a person 'Mr Brezhnev was devoted to the cause of peace'.

We cannot associate ourselves with such a statement.

(Applause from various quarters)

We cannot let pass without protest such a description of one who is now dead, but under whose authority certain events took place which are not yet over, and which cannot be forgotten by free men: those of Poland, those of Afghanistan — to mention only those two.

My group asked me respectfully to inform you, Mr President, that officially it completely disassociates itself from the statements you made on the occasion of the death of Mr Brezhnev.

(Applause from various quarters)

President. — I call Lord O'Hagan.

Lord O'Hagan. — Mr President, you have allowed the previous speaker to raise this important matter, which is a matter for every Member of this Parliament,

whether present now or not. Earlier this evening you paid an eloquent tribute to one of our colleagues, known, respected and loved amongst us here for his past work. You spoke for yourself, but you spoke for Parliament as well, regardless of political view, without attribution of loyalty, given your own previous outlook on Parliament and on politics.

Now, Mr President, I have not been able to consult my group about remarks that Mr de la Malène has made, because I was not aware of the remarks that you are alleged to have made. I only say 'alleged', Mr President, because I have received a sort of — *samizdat* would not be quite the right word — text of what you are alleged to have said in the course of a tribute which you quite properly, as President of this Parliament, paid on the occasion of the death of a world statesman.

Mr President, this paper in front of me says that you felt that Mr Brezhnev

'était un homme qui connaissait l'horreur et la souffrance qu'inflige la guerre'.

Of course Mr Brezhnev knew all about war. Of course he did. He waged it. He was a mass murderer. We in this Parliament cannot allow you as our President, however much we respect you as an individual and a parliamentarian and a politician, to make this sort of comment without consultation.

Mr President, I have raised in the Political Affairs Committee — I have not been there long, but I have made a nuisance of myself — the question of press statements on the Lebanon made by the chairman of our committee on behalf of the committee. I have done that because I felt it was not right for the chairman of the Political Affairs Committee to express a view (a) on behalf of his committee and (b) on behalf of the Parliament without consulting Parliament as a whole. You Mr President have made a political act while commemorating the death of a world statesman. I would ask you to reconsider what you have said. We do not wish to pass judgment on a mistake that has been made without consulting us, but, Mr President, I record for the memory of this Parliament that some of my colleagues — not me, some of my colleagues in this group — voted for you. We did not vote for a man who thought President Brezhnev was a man of peace. I ask you to withdraw what you have said.

(Applause from various quarters)

President. — I call Mr Poniatowski.

Mr Poniatowski. — *(FR)* Mr President, the remarks I will respectfully address to you are similar to those of Mr de la Malène.

You told us that Mr Brezhnev was a remarkable man, that he was a remarkable leader. Permit me to think

Poniatowski

that he was nothing of the sort. It is not remarkable to imprison hundreds of thousands of people in labour or concentration camps; it is not remarkable to imprison thousands of people in psychiatric hospitals; it is not remarkable to do what the Soviet Union did to Afghanistan and what it is doing to Poland, and I will not even mention the case of Czechoslovakia which inaugurated Mr Brezhnev's reign.

You said that Mr Brezhnev was a man of peace. I have to say that during the period when he was in power in the Soviet Union we witnessed a long series of military operations which began with Czechoslovakia and continued with Afghanistan.

Finally, Mr President, as a man of peace, his last speech was one long threat, a threat directed against Europe itself. Mr President, peace to the souls of the dead, but not peace to their deeds!

(Applause from various quarters)

President. — I call Mr Habsburg.

Mr Habsburg. — *(DE)* Mr President, I am not speaking on behalf of my group, but I have spoken to many friends and really feel that what you said in your capacity as President of Parliament was unanimously deplored here.

We deplore your calling Mr Brezhnev who was after all the author of the famous Brezhnev Doctrine — one of the greatest manifestations of contempt for national sovereignty — a man of peace. On the day that Brezhnev died, the leader of the Soviet Baptists, Mr Nikolai Petrovich Chabov, also died in the concentration camp in which Brezhnev had imprisoned him. No-one remembered him, who died for his faith, for the decent principles of Christianity! On the other hand, a man who bears the responsibility for Afghanistan, for Poland and for Czechoslovakia was remembered. That is why we regret what you said, Mr President.

President. — I have taken serious note of the statements made.

I call Mr Rogers.

Mr Rogers. — Mr President, quite frankly, I think you are a little one-eyed. You are looking over at that side all the time in dealing with this particular issue and you are allowing people . . .

(Cries of 'Where are they?')

If the right wing of this Parliament wants to attempt their usual *coups* then fine; but if you would allow me, Mr President, to say this, I should like to know under what item of the agenda we are presently acting. As I

understood it, Item 252 is order of business and Item 253 was going to be a statement by the Commission. Quite frankly, I think Mr de la Malène abused his position as a group leader in getting up and raising this matter. If he had wanted to do it tomorrow morning, he was perfectly entitled to do so; but let him have done so at the present time.

One of the problems now, Mr President, is that you have allowed the right wing of this Parliament — and I would not want to point the finger at some of them, whom I know quite well and would not want to put into that category, but I could point the finger at some others — to make statements that are really disgusting in relation to a world statesman who was buried today.

(Interruptions)

There are people who hold the view, Mr President — and may I say that Mr von Habsburg does not have the arrogance to claim to be the only Christian present in this House — that there are many ways of keeping the peace. I think more people have died for the flag of St George than for anything else: even eminent people such as Lloyd George, Sir Winston Churchill, President Kennedy or President Johnson, described as men of peace, have waged war for what they thought to be worthwhile purposes at the time. It is quite despicable, the way this matter has been raised in the House and what has been said by some Members about a person who was only buried this morning. I think it is inopportune and brings no credit upon them. If they want to make their own private utterances they should, Mr President, but they should realize that there is more than one way of keeping the peace.

President. — Mr Rogers, I am sorry to disagree with you. I think that if the President of Parliament issues a statement which finds disagreement among major political groups, it is fully in order that those political groups express their attitude and that the President takes it into account.

(Applause)

I call Mrs Weber.

Mrs Weber. — *(DE)* Mr President, I can understand that there are many problems more important than discharges of cadmium into the aquatic environment, but I would ask you and the Members of Parliament to conduct themselves in a more disciplined manner in future. It is quite intolerable, when a motion is tabled, that five other different points are dealt with and that the motion is subsequently only half answered!

I ask you now to answer my question whether it is possible to set the time-limit for tabling amendments for Wednesday. I got the report at 5 o'clock this after-

Weber

noon and have to check whether it tallies with the voting list which I have made out for the Committee on the Environment, Public Health and Consumer Protection, before I can decide whether the amendment motions are adequate or not. I therefore ask you once more to take a vote on this motion.

President. — Mrs Weber, Mr de la Malène unfortunately also interrupted me so that we have not yet been able to fix the deadline for tabling amendments.¹

I call Mr Alavanos.

Mr Alavanos. — (GR) Mr President, just a few words, because I think that from our side too, something should be heard about the matter raised by Mr de la Malène.

In our country we have a saying that the dead have been justified. Of course, we recognize that it is not easy for many colleagues to accept the views, the thoughts and the policy of the late President of the Soviet Union, Mr Brezhnev. At least, however, I would have thought that some self-restraint should be imposed on frenzied anti-sovietism, the more so since it is but a few hours since the man was laid to rest in the presence of the political leadership of the whole world of today.

I also want to say, in connection with the views expressed by the President of Parliament, that the matter is not so much a procedural one, in other words whether or not these views express the majority opinion. The matter is one of principle and in fact we see that the statement by the President of Parliament is much more restrained than statements made by Kissinger, Carter, and Nixon. So why all this passion? We had thought that at least in the European Parliament there would be, from the colleagues opposite, a greater respect if not for Brezhnev then for the matters of peace and disarmament.

President. — I call Mr De Goede.

Mr De Goede. — (NL) Mr President, I would like to add a few remarks on the deadline for tabling amendments. I am of the same sentiment as Mr Von der Vring, speaking in connection with the Ruffolo report, and Mrs Weber on her own report. On Wednesday and Friday last week I tried without success to get a copy of the Ruffolo report. It was finally placed in my box today. I can swear to this and it calls for action on your part, Mr President, in conjunction with the administration to extend the deadline for tabling amendments, however difficult that may be. If this

proves impossible then the distribution of reports must be improved with a view to our receiving them in good time. You cannot seriously expect Members to get on their bicycles and pedal all the way to Luxembourg or Brussels to be sure of getting their copies in good time. You allowed Mr Vinci to reflect that 'Yes, indeed the distribution of these reports began on such and such a date' but what are we to make of such a statement? We are only interested in the date of receipt at our homes or offices in Parliament and it must be such as to allow sufficient time for a thorough appraisal of the contents of the definitive text with a view to the tabling of amendments thereto. The definitive text of the Ruffolo report was published on October 29, 1982, some two and a half weeks ago. It is not asking too much to assure a more efficient distribution to the Members. Alternatively you must extend the deadline for tabling amendments. It is one or the other.

President. — You are referring to a report which was entered on the agenda by way of exception because it was necessary because of the deadline to deal with it before the deadline in November. You are right in principle that this should not have taken place but unfortunately that is the way things happen.

5. Action taken on the opinions of Parliament

President. — The next item is a statement by the Commissioner on action taken on the opinions and resolutions of the European Parliament.¹

Today we begin the new procedure.²

Has Mr Andriessen anything to add to the written report which the Commission has submitted on this point?

Mr Andriessen, Member of the Commission. — (NL) Mr President, I am delighted that we shall be initiating this new procedure for such an important area of Parliament's powers of control. I appreciate that we shall all require a certain amount of familiarization with this new procedure before it can be expected to really come into its own. There still remains one point that has not yet been cleared up, namely the manner in which Parliament can most effectively express itself on own initiative reports. It is now proposed that such reports, which have heretofore been dealt with under 'action taken on the opinions of Parliament' in the order of business of plenary sittings be henceforth dealt with in the committees. I understand that a temporary procedure has been set up in the interval which will allow such reports to be handled, while awaiting a definitive institutional pro-

¹ Deadline for tabling amendments — Speaking time: See Minutes.

¹ See Annex.

² See Annex II.

Andriessen

cedure. I can only hope that Parliament's new procedure will be instrumental in considerably strengthening the control aspect of its powers, a point which the Commission, although tending to get a somewhat rough ride from the House, considers essential for a democratically functioning institution.

IN THE CHAIR: MR ESTGEN

Vice-President

Mr Patterson. — Mr President, I am not sure how this new procedure works, but I am addressing myself to point A of the document that has been circulated concerning the directive on voluntary part-time work.

I see that the Commission is undertaking to produce an amended proposal, which will be completed by early December and of which we shall be informed. My questions are really rather simple. First of all, will the Commission undertake to send us copies of this amended proposal? Secondly, will the Commissioner responsible undertake to come to the Committee on Social Affairs and Employment of this Parliament in order to discuss this amended proposal, because under Rule 37 of our Rules of Procedure we reserve the right for our President to request the Commission for extra consultations in the event of a completely new text being tabled for the Council? It is therefore important — and this is a procedural matter — that the committee of this Parliament be given a chance to see the amended proposal and to discuss it.

Mr Andriessen, Member of the Commission. — (NL) The Commission will of course inform Parliament in the usual manner on any amendments it has made to the House's proposals and is at Parliament's disposal for an exchange of views on such amended proposals in the manner in which the House sees fit.

Mrs Kellett-Bowman. — I, too, am not quite sure how the new proposals are working, Mr President, I should like to ask the Commissioner what action the Commission is taking on the French measures introduced on 16 October to demand that all customs documentation be in French and that certain products be routed through specific customs stations. What action has the Commission taken on that?

Mr Andriessen, Member of the Commission. — (NL) Mr President, the Honourable member's question, however important it may be, would appear to me to lie somewhat outside this point on the order of business. We are now dealing with resolutions adopted

by Parliament in the two part-sessions preceding this present one, and their incidence on the legislative role of the House, for we have essentially been preoccupied with consultation, have we not?

Should the House desire an exchange of ideas with the Commission on the measures it intends to take in relation to the unilateral French decision to which the Honourable Member has just referred, a number of procedures have been foreseen. I feel sure that it would be superfluous to enumerate such procedures but I would reiterate that the Honourable Member's question lies completely outside the present point on the order of business and, as such with your permission, Mr President, having due consideration for parliamentary discipline, I shall refrain from going into the matter at this point.

Mrs Squarcialupi. — (IT) Mr President, since in the Commission's document mention is made of certain amendments approved by Parliament and subsequently accepted by the Commission, I would like to know — if this is in accordance with the new procedure — whether the amendment concerning the twelve hour work schedule 'threshold' was among those accepted?

Moreover, in the document itself it is asserted that the new text will be ready at the beginning of December, that is, I understand, in time for the next meeting of the Council on Social Affairs. I would like to point out that the President-in-Office of the Council told us that this directive has little chance of success. For this reason I would like to have an assurance on this subject.

Mr Andriessen, Member of the Commission. — (NL) Mr President, that part of the Commission's text which has been finalized confirms that the Commission will maintain a number, I believe even the majority, of Parliament's amendments to our original proposal. It will submit the final version of the proposal to the Council in early December and will furthermore, as I have just stated, inform the House in the usual way. I am aware of the reservations which have been expressed on the matter of the twelve hours. The Commission is still considering the matter and at this point in time I am unable to say whether its revised version will contain a reference to this. At any rate no definitive decision has been taken on the matter.

The question as to what action the Council of Ministers will take on the Commission's proposals, revised and improved as a result of debate in Parliament, is a matter for discussion with the Council. The Commission makes every endeavour to convince the Council of the soundness of its proposals.

Mr Tyrrell. — Mr President, I want to draw attention to the fact that there is no reference in the Commission statement to action taken by the Commission fol-

Tyrrell

lowing the resolution this Parliament adopted on Mr Bocklet's motion on 15 October and dealing with measures to promote buttersales. At the same time, Parliament has today been given what appears to be an excerpt from a press release dated 4 November 1982 which suggests that the Commission has decided to resume buttersales to the Soviet Union. If it has so decided without consulting Parliament, that would be a breach of undertakings given to the Parliament on 3 occasions. So my question to the Commission is this. May I have an assurance that they do propose to carry through a consultation procedure and to honour the undertaking which has been given before any new policy is implemented?

Mr Andriessen, Member of the Commission. — (NL) Mr President, there are a variety of ways in which the Commission can inform Parliament of the action it has taken on the opinions of the House. The order of business under which we are now speaking is but one of the possibilities. Others include written communications, oral explanations or a combination of both. In the case of Mr Bocklet's resolution the Commission felt it vital in view of the political sensitivity and importance of the subject to inform Parliament somewhat earlier than is customary, in fact as soon as it had elaborated its standpoint. With reference to the declaration on the matter which Commissioner Dalsager will be delivering to the House on Thursday the Commission is particularly anxious to ascertain Parliament's views on the action it has taken.

Mr Israël. — (FR) Mr President, our Parliament adopted a resolution concerning the teaching of human rights. The Commission declined to act, stating that teaching was not a matter within its sphere of competence. I therefore wish to ask Mr Andriessen the following question: could the Commission not intervene on Parliament's behalf with the Council of the Ministers of Education, which meets regularly?

I will also point out that there is a Commissioner responsible for matters concerning education, and there are representatives from the Commission at the meetings of the Committee on Youth, Culture, Education and Sport.

Mr Andriessen, Member of the Commission. — (NL) Mr President, allow me to clarify matters by outlining the procedure which has apparently been agreed to between Commission and the Bureau of this House in dealing with such matters. The idea was that the Commission would, under this point on the order of business, inform the House on the action it has taken or intends to take, on Parliament's recommendations concerning consultations in connection with own-initiative resolutions emanating from within the House. The action taken by the Commission would subsequently be reported to the relevant committee responsible. Should Parliament be of the opinion that

an own-initiative merited a hearing in plenary sitting as a result of the Commission's action or inaction, then there is no doubt that a spot must be found for such a hearing in the House's order of business. Further consultations are foreseen between the Commission and the Bureau on this last point.

On the basis of the foregoing, Mr President, this would appear to indicate that the question, as formulated by Mr Israël lies within the wider context of own-initiative resolutions and, as a result, outside this point on the order of business. I would therefore request the Honourable Member's permission in allowing me to convey his request to my fellow Commissioner with direct responsibility for this matter with a view to a more detailed exchange of ideas in the relevant committee.

Mr Hord. — Mr President, I want to return to the subject which was raised by my colleague, Mr Tyrrell, namely sales of subsidized butter and other agricultural products to the USSR.

I think that in response to the Commissioner's reply to Mr Tyrrell it is quite clear that he and the Commission are totally misleading themselves on the situation that prevails between the Commission and Parliament. The situation here is that there is a clear commitment by the Commission to the Parliament and there are no grounds for a variety of ways of consultation in this context because Commissioner Cheysson himself gave a pledge. I do not believe, Mr President, that the word 'inform' comes into it. This is consultation, and I quote Mr Cheysson's words which were the pledge to Parliament given back in 1977 and repeated by Commissioner Gundelach and furthermore by the former President of the Commission, Mr Jenkins, to the effect that the Commission undertakes to *consult*, not *inform*, the European Parliament through the parliamentary committees. That is how we want, Mr President, the consultation process to be carried out not by some tuppenny-halfpenny document that derived from a press release. This is a very important matter, as was acknowledged by previous Commissioners. They have made it quite clear that before taking any decision likely to have political repercussions or financial implications, this will be done. This commitment was stated quite clearly, it is a clear undertaking. Therefore, I believe, Mr President, that the Commission should understand the commitment which they themselves made to Parliament on behalf of that institution. I hope, therefore, in the light of this observation, Commissioner Andriessen will now be able to tell Parliament when the Commission is going to consult it in the way Mr Cheysson committed it to so doing back in 1977.

Mr Andriessen, Member of the Commission. — (NL) Mr President, allow me, in the first instance to comment on the nature of the information which the

Andriessen

Commission has just made available to Parliament. With all due respect I simply cannot accept the Honourable Member's contention that this is not worth the paper it is written on.

The information in question conveys in a succinct form the action the Commission has taken and is quite complete as of now with regard to the central issue. That is my first point.

Point two, Mr President, concerns, as the Honourable Member has pointed out, undertakings given to the House in the past which commit the Commission to consult Parliament on matters such as the potential Community butter sales to the Soviet Union. But what exactly has the Commission decided? The only decision taken by the Commission in relation to the exports in question is a decision in principle to lift the embargo on such sales to the Soviet Union. Implicit in such a decision is that it will, at the very least, pave the way for the resumption of such exports and I can well imagine that between the Commission declaration of intent and its eventual execution a way will be found for the Commission to comply with the undertakings given to the House in the past with regard to consultation.

Mr President, I shall be more than happy to inform my fellow Commissioner with direct responsibility for this matter and I would imagine that Parliament will probably have an opportunity, two days from now, to pursue it with him in greater detail.

Mr Harris. — Mr President, I am sorry to pursue this point, but I think it is one which really is of such great concern to this Parliament that we must really press the Commissioner on it. Do we now understand the position to be that he has given an undertaking that before more butter is sold to Russia, this Parliament will be consulted in the manner laid down by former President Jenkins, by the late Commissioner Gundelach, and by former Commissioner Cheysson — namely, that the committees of this Parliament will be informed and that that process of consultation will be carried out in accordance with those past commitments before any butter is sold to Russia? Can we have that absolutely clear because, speaking quite personally, if that assurance is not given then I think some of us will be tempted to put down a motion of censure against the Commission.

Mr Andriessen, Member of the Commission. — (NL) Mr President, I would find it most regrettable were Parliament to resort to the motion of censure against the Commission on this issue, a spectre which the Honourable Member seems to be raising. For, after all, what have I just stated? No more than my conviction that in the interval between a Commission decision to lift an embargo on sales of a product to a specific country, and the actual resumption of such

sales Parliament will be afforded numerous opportunities to express itself on the issue and that I feel it most desirable that the House take up the matter once again with the Commissioner directly responsible at the next available opportunity, that is, in Thursday's sitting. Indeed, Mr President, it would appear to me to be much more expedient that the Commissioner having first hand knowledge of this dossier consults Parliament in what he and the House deem the most satisfactory manner. My earlier statement is no more than an effort to allay the fears of the House by pointing out the various opportunities for full debate and my conviction that the Commissioner will agree terms with Parliament on the most desirable way of giving expression to the Commission's commitment on consultation.

For the moment, however, in view of the fact that no decision as such has been taken, I am unable to reply on behalf of the Commissioner responsible as fully as the Honourable Member would like. Furthermore, I very much doubt that the Commissioner in question will be able to supply such a detailed answer at this stage but, I repeat, this matter can be more effectively dealt with under the appropriate point on the order of business rather than in the wake of an initial and succinct report from the Commission, which was intended to be followed at the earliest available opportunity by a more formal communication to Parliament.

Mr Prag. — Mr President, it may be due, of course, to my own shortcomings or to my short-sightedness that I can find no trace in the Commission document of the Eisma report which was a matter on which this Parliament was consulted by the Commission, namely future data gathering and reporting on social expenditure and its financing in the Member States. Now the Eisma report made certain specific recommendations with regard to disablement and the data to be made available, in particular, the data which would have helped to ascertain the extent of disablement, the effects of disablement — particularly on income and employment — and the adaptation of job training for disable people.

It so happened that Commissioner Richard replied to the debate in the middle of the debate, so that those of us who spoke after he had replied were unable to know what the Commission thought. I would like to know whether the Commission is going to adopt the recommendations made about disablement in the Eisma report so that the Member States and their governments, the public and we ourselves are given full comparative information about these matters which are so important in the formulation and for the formulation of effective policies on disablement. I would like specific assurances that this will be done.

May I say, finally, Mr President, how regrettable it is that so few honourable Members are present for what is essentially the crucial dialogue between the Com-

Prag

mission and the Parliament about the action that the Commission is taking. We can talk and talk and talk our heads off but if we do not even stay to hear what the Commission is doing about it, we are all wasting our time.

Mr Andriessen, Member of the Commission. — (NL) Mr President, the Honourable Member's question raises a point in the new procedure on which further clarification will be required.

What is involved here is less a formal request for a ruling from Parliament analogous to, say, consultation on a Commission proposal for a regulation, but rather, a ruling on a Commission report. One could classify these matters as lying somewhere between the two. In applying the new procedure the Commission has heretofore been somewhat rigid and has confined its written declarations to the ruling as such. Hence Mr Prag's vain search in the Commission document for a statement on the Eisma resolution.

I am, should the House so desire, prepared to make the cutoff between what is and what is not admissible under the new procedure in such a manner that, whenever the Commission seeks the advice of Parliament, be it on a ruling or otherwise, we shall set out our reactions to Parliament's decisions in the report of proceedings which is published in connection with all plenary part-sessions. I trust this goes some way towards clarifying a procedural matter.

As to the content of Mr Prag's question, I have to say that the Eisma resolution to which he refers, has fallen prey, at this stage, to what I might call the Commission's strict adherence to the letter of that procedure. However, as I have just indicated, we shall henceforth relax this rigidity somewhat. Furthermore, I can assure the Honourable Member that, inasmuch as it proves technically feasible, the Commission will be pleased to deal with the Eisma report in the appropriate House committee, with a view to facilitating the adoption by the Member States and others of a policy which more appropriately meets the needs of the handicapped and disabled. Should the Honourable Member require further details may I kindly request him to take up the matter with the Commissioner responsible in the appropriate House committee.

Mr Moreland. — Mr President, I should like to refer the Commission to item A (2) in its document, that is the proposal for a regulation on limited action in respect of transport infrastructures. As the Commission will know, the important part of this as far as Parliament was concerned was not this relatively minor amendment but the specific list of transport projects which the Commission would be pushing under this particular proposal. Parliament proposed that the three projects should be at Domodossola, Volos, and the Austrian Motorway or as it is known the Pyrhon Motorway.

Can we have an assurance that the Commission is in fact supporting the Parliament and pushing these three specific projects, particularly the Austrian Motorway?

Mr Andriessen. — (NL) My answer is affirmative, Mr President.

Mr Moreland. — I am baffled because over the microphone came the words in English 'The microphone was not on so we were unable to interpret that'. I presume the answer was yes.

Mr Andriessen. — (NL) I see that it is now connected, Mr President, and, to repeat, my answer was 'yes'.

President. — That was a good succinct remark.¹

6. Waiving of Parliamentary immunity

President. — The next item is the report by Mr Donnez (Doc. 1-832/82), on behalf of the Legal Affairs Committee and two requests to waive the parliamentary immunity of a Member.

I call the rapporteur.

Mr Donnez, rapporteur. — (FR) Mr President, ladies and gentlemen, the report I have the honour to submit to you is particularly succinct, inasmuch as you have already made two separate decisions on issues identical to the one in question today: the decisions of 9 March and 16 June 1982. At that time, particularly on 16 June 1982, you approved the more detailed report I presented; this is document I-298/82.

I will run through the facts of the case only as a reminder, for I have not the slightest doubt that the precedent established in these two earlier decisions will be upheld this evening. I will review the accusations against Mr Pannella. Mr Pannella, as executive director of an organ of the press, was sentenced by a Roman court to pay a remitted 1 200 000 lire fine for libel, following his publication of a polemical and political article; on 21 November 1977, the court again sentenced Mr Pannella to pay a 300 000 lire fine, this time for collusion, once more in connection with an allegedly libellous article. Mr Pannella has appealed these two decisions and the matter is now pending before the Roman Court of Appeals.

The attorney general for this Court of Appeals addressed our President with the request that Parlia-

¹ Membership of Parliament: see Minutes.

Donnez

ment be asked to allow Mr Pannella's parliamentary immunity to be waived. I told you that this case was identical to those I mentioned a moment ago, and in connection with which, on 16 June 1982, you refused the request of the Italian authorities, deciding that Mr Pannella should retain his parliamentary immunity, and this despite a request by Mr Pannella himself that Parliament allow him to waive this right.

You decided specifically that the question of the waiving of parliamentary immunity was of little importance in itself, and that this immunity is intended to safeguard the integrity of our parliamentary institution and the independence of its members. You further decided that the purpose of this immunity was above all to protect our Parliament as an institution, and not to grant privileges for the advantage of its members. It is on the basis of these principles that I say to you today: same issue, same response. The accusations made against Mr Pannella by the Italian authorities are identical to those made earlier: libel through the medium of the press. I ask you to uphold the precedent we have set in the best interests of our institution.

For us it is indeed a question of protecting the institution and not of acceding to the wishes of Mr Pannella, for I believe that today he still desires to waive his immunity. I cannot agree with him on this point; if he were present, I would tell him so.

President. — The debate is closed.

The vote will be taken at the next voting time.

7. *Commission's failure to act on a resolution of the EP*

President. — The next item is the Oral Question with debate (Doc. 1-640/82) by Mr Prout, on behalf of the European Democratic Group to the Commission:

Subject: The Commission's failure to act on Parliament's resolution on a Commission Action Programme

The European Parliament adopted on the 17th of February a resolution requesting the Commission to present by June this year an action programme to make full use of its executive powers.

The Commission has not reacted on this request.

1. Will the Commission

- state its policy in all areas where it detains powers,
- to which extent these powers have been used, and
- what initiatives it intends to take to ensure that full use is made of these pow-

ers in the future to make more rapid progress in the realization of the aim of the Treaties?

I call Mr Prout.

Mr Prout. — Mr President, constitutionally the Commission is an extremely complex institution. Article 155 of the Treaty of Rome invests it with legislative, executive and judicial powers. It initiates all Community legislation, administers the rules already enacted and, together with the Court of Justice, ensures that the behaviour of citizens and Member States conforms with Community law.

In performing all these tasks, it is, by virtue of Article 144 of the Treaty of Rome, politically responsible to Parliament. Indeed, whilst speaking to this House on 12 January 1981, President Thorn urged us to be

... ruthless whenever the Commission fails in its task, with the critical vigilance that is essential to the life of European institutions.

Parliament's supervisory responsibilities under Article 144 are particularly important in respect of the Commission's executive powers. Unlike the exercise of its legislative and judicial powers, where the Council or the Court have the final word, the sole control over the Commission in the exercise of its executive powers is the European Parliament.

It is in respect of this supervisory responsibility, and in response to President Thorn's urgings to be ruthless, that my group has initiated this debate. On 7 February, this House adopted a resolution calling upon the Commission to present, by June, an action programme on its executive responsibilities. So far, no such programme has been tabled.

Mr President, the economic success of the Community depends upon our ability to establish and sustain a genuine common market between Member States. The legislative framework for such a market is largely complete. The Commission now possesses most, if not all, of the necessary authority to combat barriers to trade, restrictive practices and state subsidies. The problem now lies in its implementation.

We believe that the Commission is devoting far too much time and manpower to initiating new legislation, much of which is of marginal relevance to the objectives of the Treaty of Rome, and far too little time to enforcing the rules that already exist and which form the core of the Common Market. If as much energy, imagination and resources had been invested in combatting barriers to trade or state subsidies as has been consumed in, for example, inventing new rules of company law, we should be much nearer to solving the economic problems of Europe than we are at the moment.

Prout

In 1978, for example, the Court of Justice gave the Commission a formidable additional weapon to combat non-tariff barriers to trade in the Cassis de Dijon case. What has the Commission done since then? It has increased its number of executive officers dealing with these matters from seven to eight. How can a staff of this size hope to tackle the number of complaints, which now, I understand, exceed 500? Equally, there is a vast backlog of unexamined notifications lying on the desks of the competition staff of DG IV. The Commission has quite simply got its priorities wrong.

There is, moreover, a further problem. I have the impression that the Commission is administering the Common Market rules in a number of wholly unconnected compartments. For example, there is little point in pursuing a vigorous policy against non-tariff barriers to trade in a particular industry if you do not pursue an equally vigorous policy against State subsidies to firms in that industry. In the absence of the latter policy all you succeed in doing is to bring the principle of free trade into disrepute. It is vital, therefore, that the action taken in the distinct fields of Articles 30-36 and Articles 85-94 be properly coordinated. There is little evidence so far that it is.

Mr President, if voters get the politicians they deserve, then I suppose the European Parliament has got the European Commission it deserves. The fact that the Commission has got its priorities wrong is at least as much our fault as theirs. We have been prepared to go along with the often indigestible legislative diet served up to us. In the face of this, I have some sympathy with the cautious approach adopted by the Council to certain types of legislative proposal. We simply will not learn and nor, it appears, will the Commission, that a great deal of our most important goals can be realized independently of the Council of Ministers. Implementing existing rules is not as exciting as inventing new ones — but it is a far sounder basis for political success.

In one respect Parliament is not as well equipped as it should be for monitoring the Commission's executive work. In pursuit of its executive responsibilities the Commission has acquired in certain cases, through primary legislation, the authority to adopt delegated legislation without formally consulting either Parliament or the Council of Ministers. In practice, Member States are consulted, usually through the network of management of advisory committees that we so much deplore in this House. I believe that we should be consulted on delegated legislation. This would conform both with the Court of Justice's views about institutional balance in the Community legislative process, and also with normal practice in the parliaments of Member States.

One approach might be to require that draft delegated legislation be tabled in Parliament, say two months before its proposed date of implementation. It need be

debated only if the appropriate committee recommends that a debate take place. At all events, we should now take steps to negotiate an appropriate procedure with the Commission. I have tabled, Mr President, a motion for a resolution to that effect on behalf of my group and I hope it will get wide support.

I would not like to conclude on a wholly pessimistic note. There is so much that Parliament and Commission can achieve in this field if only we work together, and the Commission *has* shown itself capable in isolated instances of the kind of determination and imagination I am calling for on a much wider front. Their courageous adoption of the directive on public-sector financial transparency in the face of heavy opposition from Member States deserves our warmest congratulations. It is probably the most important single piece of Community legislation since direct elections, and incidentally, it was a Commission directive on which we had no right to be consulted.

(Applause)

President. — I call the Commission.

Mr Andriessen, Member of the Commission — *(NL)* Mr President, although the overall tone of the Honourable Member's intervention was somewhat critical, I am, nevertheless, pleased to have an opportunity of addressing the House on this important issue. It is obvious that the decision-making process in the Council of Ministers has ground to a halt in quite a number of areas. This is especially apparent in the enforcement of the Mandate of 30 May, with which the Commission began in 1981, and it is clear that our success in surmounting these barriers and in maintaining the Community ship on a steady course will be dictated by our ability to make the most effective use of the powers contained in the Treaties or those which have accrued to us through delegation. Contrary to what Mr Prout has just stated, I cannot help feeling that it is precisely in those areas where the Commission possesses executive and management autonomy, free of all Council supervision, that progress in the various Community activities has been most marked and I might add, in some areas quite exemplary. I am thinking especially of the areas which have already been mentioned such as competition, subvention policy, common agricultural policy; I would also mention the Community steel sector, an area in which the Commission has been delegated extensive powers or has in other ways witnessed an extension of its responsibilities.

Mr President, it is correct to say that the only Community institution having sole control over the Commission in the exercise of its executive powers, is the European Parliament. I fully subscribe to the Commission President's address to the House of 12 January 1981 and to his appeal for vigilance on the part of the

Andriessen

House in keeping the Commission on its toes. The debate which has just taken place under the order of business heading 'Report on the action taken by the Commission on the opinions of Parliament' and the Commission's endeavours in assuring the smooth functioning of that debate will, I trust, be seen by the House as proof of the Commission's good intentions.

Mr President, numerous opportunities are afforded the House in controlling the Commission. Examples of these are the Commission President's annual address to the House and its programme of action for the forthcoming calendar year which highlights the broad areas of Commission policy, all of which are followed by debate in the House and by criticism where such is deemed necessary. Furthermore such a policy has effects in other areas too, of which the Mandate report of June 1981 is but one example. Its main theme was the restructuring of Community policy, which the Commission followed up with a series of more detailed reports and concrete proposals of which more will follow. Further examples are provided by the Commission's annual report and its report on competition policy, for which I have direct responsibility, through which the Commission, while endeavouring to take account of a maximum of Parliament's wishes, sets out a comprehensive account of the manner in which it has exercised its powers.

Notwithstanding this, Mr Prout has effectively said 'All well and good, but the Commission has got its priorities wrong. It should pay more attention to enforcing existing rules and less to inventing new ones'. May I be so bold, in taking issue with the Honourable Member, as to suggest that the issues are complementary? Indeed the House has been unrelenting in stimulating the Commission to tackle both, and rightly so. I believe that the Commission must continue its efforts in the field on initiating new legislation while simultaneously endeavouring to make optimal use of its existing powers.

On 7 February 1982 the House adopted a resolution calling upon the Commission to present, by June, an action programme on its executive responsibilities and, according to the strict formulation of this brief, I have to admit that we have failed to elaborate such a report. I am, at this point, unable to present such a finalized report to the House. But I cannot help wondering whether such a report would in fact create the conditions in which Parliament and Commission could most effectively engage in an exchange of views on this point. Is it not much more desirable to have the kind of debate we are currently engaged in, as has heretofore been the case, in which Parliament actively follows up and criticizes the action or indeed inaction of the Commission while leaving criticism on matters of general Commission policy and priorities, which Mr Prout has just raised, to be discussed during the annual debate on Commission policy which takes place in the House in February.

Reports of the type requested by Mr Prout, covering wide areas of Community policy, all too often run the risk of being, at least partly, overtaken by events before the ink has had time to dry. Given the multitude of areas of control which already exist, is it not, therefore, much more effective to vigorously follow up the Commission's actions or lack thereof on a specific case by case basis.

Mr President, allow me to briefly raise some points in an effort to substantiate my claim that the Commission has not got its priorities wrong, not least to allay the fears of Mr Prout. It cannot be repeated often enough that, in a period of economic crisis such as the Community is experiencing, the establishment and maintenance of a genuine common market with an unrestricted flow of trade remains essential and that one of the cornerstones of that policy is the Community competition rules. The Commission has had some success in invoking these rules to put an end to restrictive trade practices and other infringements. We are also endeavouring, unfortunately with somewhat less success, to use the same procedure to encourage cooperation with a view to alleviating the most persistent of the structural effects of the crisis. I would mention in passing that I am particularly looking forward to the debate on the Eleventh Report on Competition Policy which will be dealing with a number of issues in this area.

Mr President, I really must refute Mr Prout's suggestion that the Commission, in endeavouring to achieve the dual objectives of combating non-tariff barriers to trade, under Articles 30-36 and state subsidies, under Articles 85-94, has been completely ineffective, and that such a dual policy is even lacking. I consider that the Commission is pursuing an effective policy in many areas of the internal market — a point to which I shall return in due course — and that, although the Commission's policy on state subsidies has its shortcomings, it deserves, all in all, to be judged positively.

I also feel that the Common Agricultural Policy provides a good example of a positive use of the executive powers entrusted to the Commission. The classic management committee procedure, which in fact assumes the responsibility of the Commission, functions smoothly in our opinion. I have no doubt that any attempt to remove the executive and management powers heretofore entrusted to the Commission would result in a considerable paralysis in Community policy.

Mr President, I shall limit my remarks on steel today. But I should like to give the House a rhetorical question to ponder. Where would the Community steel sector be to this day, in the absence of a Commission policy designed to regulate the market and to dictate the conditions under which industries qualify for aid? So much for examples from the past on which, given the limited time available, I shall not elaborate at present.

Andriessen

I would now like to turn my attention to the future. The Commission has always been at considerable pains to emphasize the potential powers afforded by Article 155 of the Treaty of Rome. The Commission's report of October 1981 on the institutional development of the Community contains a clear reference to this. We consider that the impending accession of Spain and Portugal will render a more extensive use of Article 155 all the more necessary and we should not fail to ascribe great importance to this in the impending enlargement negotiations. Likewise I am forced to conclude that despite the very lucid and concrete recommendations made by the Commission to the Council as long ago as 1977 and repeated endlessly since then the latter has heretofore made no attempt to delegate increased powers to the Commission under Article 155.

Mr President, the Honourable Member has referred to the additional weapon provided by the Court of Justice to the Commission in combating non-tariff barriers to trade as a result of its ruling in the *Cassis de Dijon* case. The Commission is of the opinion that although the text of that ruling, and of subsequent ones confirms the necessity of individual rulings on a case by case basis it nevertheless affords opportunities for coming to grips with non-tariff barriers between the Member States. The Commission believes further that it is probably better to attack non-tariff barriers in such a way rather than making fruitless attempts to initiate new legislation in this area. But I ought to add here that a case by case treatment of the problem is fraught with difficulties, not the least of which lies in trying to comply to the letter with the rigid criteria laid down by the Court. At any rate I share Mr Prout's view that the *Cassis de Dijon* ruling has indeed provided us with a weapon which the Commission must and shall use. It is, by the way, not the only means by which obstacles to the free functioning of the internal market can be removed. The Commission is also looking into other possibilities, such as a more frequent invoking of Article 169 of the Treaty, for example.

We are also considering a better exploitation of Articles 101 and 102 of the Treaty in this area. I have advocated, partly in connection with an earlier question in the House, that the Commission will be in a position, in the very near future, to take concrete decisions on this point and I look forward to briefing the House on this at a later stage.

Mr President, may I point out that a prerequisite for the attainment of the various goals I have just enumerated is an increase in Commission staff. Given the existing Commission staff on the one hand, and the veritable flood of illegal state subsidies on the other, the case for additional staff becomes evident. I would therefore make an urgent appeal to Parliament to look favourably upon this request and to support the Commission's endeavours in applying Articles 101 and 102 much more forcefully.

Mr President, just a comment on delegated legislation, to which the Honourable member has referred. He is quite right in noting that the Commission, in adopting delegated legislation, has no formal obligation to consult either Parliament or the Council of Ministers. I feel that this arrangement should be respected if we wish to maintain the relations between Parliament and Commission on a good footing. This does not detract from the Commission's readiness to continue the present arrangement of supplying timely information to the appropriate House committee on policy measures which have been considered by the Commission and, if requested, of exchanging ideas with the committee. The introduction of a system which would require draft delegated legislation to be tabled in Parliament before its proposed date of implementation resembles too much, at first glance, the compulsory consultation which I cannot distinguish here as such. I have taken the opportunity of expressing my standpoint in such unambiguous terms on this occasion for I feel such clarity to be essential prior to my discussing the matter in the Legal Affairs Committee in the not too distant future.

Mr President, I thank the Members for their appreciation of the Commission's adoption of the directive on public-sector financial transparency. I am currently examining the ways in which this directive can be most effectively applied in assuring such transparency between States and State-run concerns.

So much for my comments in this debate. I can assure the House that the Commission is more than willing to examine further possibilities of improving the exercise of its executive powers. I have already outlined a number of possibilities to which the Commission is giving serious consideration. With regard to the Honourable Member's very pertinent comments on the internal market, a constantly recurring theme on the Commission's order of business, and one to which we devote considerable energy, is that of making the most effective use of resources, legal and other, in this area without incurring the opposite result to that which is desired, which is not as easy as it may seem.

Mr President, I intend to call a halt at this stage, but I shall be pleased to resume tomorrow after some additional Members have had an opportunity to intervene.

(Applause).

President. — I have two speakers left on my list, Mr Kirk and Mr Nord. If there are no further requests to speak, I shall close the list of speakers and adjourn the debate until tomorrow.

(The sitting was closed at 8.05 p.m.)¹

¹ Agenda for next sitting: see Minutes.

ANNEX

Commission action on opinions on its proposals delivered by the European Parliament at its September and October 1982 part-sessions

This is an account, as arranged with the Bureau of Parliament, of the action taken by the Commission in respect of the amendments put forward at the September and October 1982 part-sessions under the Parliamentary consultation procedure, and of disaster aid accorded.

A. *Commission proposals to which Parliament proposed amendments the Commission has accepted in full or in part* (September and October part-sessions)

1. *Directive on voluntary part-time work* (Report by Mr Calvez)

The Commission has already stated its intention of adjusting its proposals in line with some of the amendments passed by the House at the September part-session.

The preparatory work on the drafting of an amended proposal is well advanced, and should be completed by early December. The House will be informed in due course.

2. *Proposal for a Regulation on limited action in respect of transport infrastructures* (Report by Dame Shelagh Roberts)

The Commission reaffirms its agreement to the amendment passed by the House on 15 October. It will duly amend its proposal for expedited discussion at the Council.

3. *Decision varying for 1983 the research programme to be carried out by the Joint Research Centre for the European Atomic Energy Community and the European Economic Community, 1980-83* (Report by Mr Pedini)

On 3 November the Commission endorsed the amendments passed by the House at its plenary session on 29 October (COM(82) 725 final); the amended version of the proposal will be dispatched to the Council as quickly as possible. The House will be informed in due course.

4. *Commission proposals on fresh meat* (Report by Mrs Krouwel-Vlam)

Acting on the opinion delivered by the House on 16 September, the Commission has decided pursuant to Article 149(2) of the Treaty to amend the following proposals for Directives:

- Directive on health problems affecting intra-Community trade in fresh meat;
- Directive amending Directive 72/462/EEC on health and veterinary inspection problems upon importation of bovines and swine and fresh meat from third countries;
- Directive on certain health problems posed by antibiotic residues in fresh meat of Community origin.

B. *Commission proposals to which Parliament proposed amendments the Commission has not felt able to accept* (1st and 2nd October part-sessions)

1. *Proposal for a Regulation on the recruitment of 56 members of the headquarters staff of the European Association for Cooperation* (Report by Mr Lega)

The Commission explained at the debate why it preferred to leave the proposal as it stood.

C. *Disaster aid accorded since the last part-session*

I. *Emergency aid for third countries*

Ia. Cash

- 8 900 000 ECU to Lebanon
- 1 500 000 ECU to Poland
- 200 000 ECU to flood victims in Tunisia
- 2 000 000 ECU to Rwanda refugees

Ib. Food

- 10 000 tonnes of cereals to Sri Lanka
- 5 000 tonnes of cereals to Nepal

*
* *

For the record

Commission proposals concerning which Parliament delivered opinions in favour or did not ask for actual amendments (1st and 2nd October part-sessions)

1. Proposal for a Regulation on monitoring the implementation of Community rules on agricultural products (Report by Mr Marck)
2. Proposal for Community part-financing of policing of Danish and Irish waters (Report by Mrs Péry)
3. Proposals for Regulations fixing the Community Generalized Preferences for 1983-85 and concerning the implementation of the arrangements for 1983 (Report by Mr Wedekind)
4. Two proposals
 - (1) laying down special arrangements with respect to olive oil producers' organizations for the marketing year 1982-83, and
 - (2) laying down general rules with respect to aid for olive oil production for the marketing year 1982-83 (Report by Mr Vgenopoulos)
5. Two proposals for
 - (1) a Directive amending Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas, and
 - (2) a Regulation amending Regulation (EEC) No 355/77 on measures to improve the conditions under which agricultural products are processed and marketed (Report by Mr Kaloyannis)
6. Proposal for a Regulation amending Regulation (EEC) No 355/77 on common measures to improve the conditions under which agricultural products are processed and marketed (Report by Mr Vitale)
7. Two proposals for
 - (1) a Regulation granting financial assistance for demonstration projects in the fields of alternative energy sources, energy savings and hydrocarbon substitution
 - (2) an EEC Regulation granting financial assistance for pilot, industrial and demonstration projects in the field of liquefaction and gasification of solid fuels (Report by Mr Normanton)

The House also delivered opinions, without report, on the following:

- Proposal for a Regulation amending Regulation No 471/76 as concerns the period of suspension of the application of the condition on prices governing the importation into the Community of fresh lemons originating in certain Mediterranean countries
- Proposal for a Directive amending Directive 78/176/EEC of 20 February 1978 on waste from the titanium dioxide industry
- Proposals for
 - (1) a Regulation amending Regulations (EEC) No 1508/76, (EEC) No 1514/76 and (EEC) No 1521/76 on imports of olive oil originating in Tunisia, Algeria and Morocco, 1982-83;
 - (2) a Regulation amending Regulation (EEC) No 1180/77 on importation into the Community of certain agricultural products originating in Turkey, 1982-83
- Proposal for a Regulation on measures to implement the agreement on occasional international coach and bus services (ASOR)

Action taken by the Commission on opinions of Parliament

The enlarged Bureau decided, in conjunction with the Commission, to make the following improvements in the organization of the item 'Action taken':

- the Commission's monthly written communication will henceforth be restricted solely to opinions on legislation and information on aid to disaster victims. It will, moreover, cover the legislative resolutions of the two preceding part-sessions in order to extend the period during which the Commission might usefully respond to Parliament's requests.

The enlarged Bureau hoped that Members might have access to the Commission's written communications at the beginning of the political group meetings on the Monday of each part-session.

- Action taken on opinions not concerning legislation or own-initiative reports would preferably be dealt with in parliamentary committees. The Commission would forward to Members of Parliament, for their information, a periodic written communication on the action taken.
- The enlarged Bureau would consider the extent to which it could reasonably enter on the agenda the introduction of a thirty-minute *ad-hoc* Question Time for important matters relating to opinions not concerned with legislation or own-initiative reports and meeting a particular interest of Members.

SITTING OF TUESDAY, 16 NOVEMBER 1982

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IN THE CHAIR: MR VANDEWIELE

Vice-President

(The sitting was opened at 9 a.m.)¹

1. GATT

President. — The next item is oral question with debate (Doc. 1-804/82) by Mr Seeler, on behalf of the Committee on External Economic Relations, to the Commission (Doc. 1-804/82):

Subject: GATT Conference of Ministers

1. What is the current state of preparation of possible GATT decisions on
 - a) consideration by GATT of the interests of developing countries;

restriction of the customs preference system for newly industrialized countries

and the gradual liberalization of markets in these countries for goods from industrial countries;

- b) the selective use of the safeguard clause under Article XIX of GATT;
 - c) the treatment of agriculture under GATT;
 - d) the liberalization of services;
 - e) trade in advanced technology products;
 - f) the elimination of non-tariff obstacles to trade so as to abolish concealed import barriers;
 - g) the creation of a harmonized customs system to achieve greater comparability and exchangeability of information?
2. Does the Commission intend to recommend that the Council deal with the following subjects in preparation for the GATT Conference of Ministers, and if so, in what form?
 - a) Measures to counteract the growing protectionist trends in world trade (bilateral agreements, voluntary self-restraint agreements, export subsidies and dumping),

¹ Minutes — Topical and urgent debate (Announcement): see Minutes).

President

- b) Measures to restrict to a minimum the growing intervention in world trade in pursuit of foreign policy goals?
3. Does the Commission intend to propose to the Council that the function of world reserve currencies, particularly the US Dollar, in world trade should be discussed in Geneva? In this context, will the Commission also include in its preparatory work the problems of financing world trade, in particular the terms for commercial loans?
4. Which other areas for potential decisions are to be discussed and what progress has been reached with preparatory work?

I call Mr Seeler

Mr Seeler. — (DE) Mr President, ladies and gentlemen.

A great deal is said on a great many occasions about free trade. But if we consider the situation as it is today, free trade has never been in such grave danger. The world economic crisis is one of the basic causes of the ever increasing interference with free trade. The solutions suggested are, however, the same everywhere. Exports should be increased and imports reduced to protect the national economies and give them the breathing space they need to recover.

But anyone who knows anything about history knows where this policy of protectionism led in the 1930s. Inadequate though the free trade system may be, however it may be criticized in many quarters, it must be said that there is none better among the world trade systems at present. The European Community alone earns about a quarter of its national product from exports. Millions of jobs in the Community consequently depend on the continued existence of world trade. I therefore feel we should take a very keen interest in the GATT Conference of Ministers that will be taking place in Geneva next week.

Of course, not too much should be expected of a thirtieth meeting of Ministers, but I believe the Conference must not break up without agreement being reached on a number of basic issues, the alternative almost certainly being a substantial increase in protectionism, principally in the United States, but in the Community as well.

The GATT system is undoubtedly in need of improvement and development in many respects. Nor can the European Community go on being the only advocate of free trade indefinitely. We must make our partners realize that free trade must not be a one-way street. Nor can there be free trade in every respect at any price. For example, the European Community must retain its own sources of energy, particularly coal. If this had not been done in the 1970s before the rise in

oil prices, there would be very few coal mines left in Europe today. We also need an efficient steel industry and an efficient shipbuilding industry if we are not to become completely dependent on imports from third countries in these important sectors.

These are, however, political decisions which must not be allowed to affect the competitiveness of our economy on the world market. Although subsidies merely designed to ensure the survival of undertakings in sectors not forming part of the basic structures to which I have just referred may ease the competitive situation in the internal market in the short term, they are an obstacle to competitiveness in the export market in the long run. They result in increasing demand for subsidies, and the outcome is a situation in which subsidies count rather than performance.

The main items on the agenda for the GATT Conference next week will be world trade in agricultural products, the question of protective clauses, the treatment of the developing countries and the inclusion of services in the GATT system. World agricultural trade gives rise to a wide range of interests and problems. For the European Community the subsidized export of agricultural surpluses is at present a safety valve for our agricultural policy. Other exporters, particularly the USA, also subsidize their exports, but they are not so indiscreet about it and are all the more critical of the Community for using its subsidies to exceed the share of world agricultural trade it was agreed it should have in Tokyo.

On the other hand, many developing countries would like better access to the European market for their products. It is therefore to be feared that a consensus on world agricultural trade will not be reached in Geneva, especially as several Community countries want to retain the present system of subsidized exports of surpluses. I am therefore afraid there is likely to be a subsidy war in this sector. In the USA, for example, an export promotion programme costing 1 500 m dollars has already been prepared. It seems doubtful to me that the European Community could hold out for very long in a contest of this kind, and it is therefore necessary — and I make a public appeal for this here — for the agricultural exporting countries to meet at a special conference at the earliest opportunity to agree on rules to govern world agricultural trade. Disclosure of subsidies and their reduction, being in the taxpayers' and consumers' interests, are just as important as improved access to the markets of the industrialized countries for the products of the developing countries.

I should now like to say a few words about the safeguard clauses. What this term really means is something like local protectionism. Article 19 of GATT permits general import restrictions to be imposed on certain products. In practice, however, increasingly selective use is made of this provision. That is to say, it is only applied to specific countries. That is the subject of the controversy. But agreement on this can be

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reached only if the GATT organization is granted the right to give prior approval of such selective safeguard measures. That is unlikely to happen, however.

The treatment of the developing countries will be a difficult subject next week, because they complain of rising customs duties on their semi-manufactures. This, they claim, is hampering the process of industrialization. The Community does not, however, see how it can make further concessions in this respect, especially as many of the poorest developing countries in particular already have easier access to our market through the system of generalized preferences — in theory at least. Conversely, the developing countries — and particularly the threshold countries among them — are obstructing the flow of products from the industrialized countries to their markets on the grounds that their infant industries are in need of protection.

There may be opportunities here for concessions on both sides in the medium term. The goal of the further development of GATT must be an increase in trade among the developing countries, so that the development process ceases to be excessively geared to the needs of the industrialized countries as it has been in the past. In addition, the participation of the developing countries in world trade and thus their progressive integration into the GATT system should run parallel to the process of their development. But unfortunately, here again, there seems little hope of practical results being achieved in Geneva in this area.

I should like to comment briefly on the inclusion of services in the GATT system, which is something the United States want. This does indeed seem worth considering, especially as services now account for 9% of British, 4.5% of French and 4% of German exports. But other countries, particularly the developing countries, have their reservations. They are afraid that this might hamper the development of their own service sectors.

The chances of a wide range of results being achieved in Geneva are slim. It would be a success in itself if international trade disputes could be contained and the remaining free trade in the world retained, since every step towards increased protectionism is, after all, nothing other than an attempt to export one's own economic difficulties to other countries. The ones to suffer would then be the many people joining the ranks of the unemployed as a result of a policy of this kind.

(Applause)

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — *(FR)* May I begin by conveying to Parliament the

apologies of Mr Haferkamp who is unable to be present to answer questions; since Parliament changed its agenda at a fairly late hour yesterday, he was unable to reach Strasbourg in time. Mr President, I think it only appropriate to point out that the Commission finds itself in a rather difficult position in circumstances like this when we also have a series of meetings in Brussels, arranged by decision of the Council, and various international commitments. Having said that, I am personally involved in the GATT discussions and, if Mr Seeler will show me a little indulgence, I shall do my best to answer the excellent questions put by him.

First, the diagnosis. I believe that we in Europe are bound to affirm with some vigour that the maintenance of world trade is a vital feature of the Community's economic activity. If we look back to events in the 1960s and 70s, we shall see beyond any shadow of a doubt that the increase in the wealth of the Community was proportional to the development of world trade.

Mr President, jobs in Europe are not dependent on protectionism; they are dependent on an increase in world trade. I think we must be absolutely clear on that point and the Commission for its part subscribes whole-heartedly to this view. It is essential to ensure that the jointly accepted and respected rules governing international trade are confirmed and strengthened. That is why we looked favourably on the idea of an analysis being made in 1982 of the present situation of the world trade system in relation to the pressures to which it is now subject.

This is also an essential aspect, Mr President, because it provides the basis for the conduct by the Community as such of its commercial policy within international organizations such as GATT. It is therefore important for us not to get the diagnosis wrong. Mr Seeler and I share the same view: the system must be safeguarded and not adjusted in a restrictive sense; on the other hand we must be perfectly clear about the situation now facing us. That being so it is essential for each party to make an effort to safeguard the world system and we have had a highly animated dispute in the negotiations now under way in preparation for the conference; the Community felt it necessary to point out that a good many other industrialized countries must pursue efforts to open their markets. Today the European Community market is the most open of all. We have chosen that option but others must make a similar effort. We deliberately wished to commit ourselves on these lines and we hope that the other major industrialized countries will do likewise. The Community is rather tired of being criticized for protectionist activities at a time when its major industrialized partners are infinitely more protectionist themselves. We have spoken here of the Japanese case and noted quite clearly that the Japanese market is not an open market. We cannot reasonably assert that the agreement on steel recently signed with the United States is not the result of a protectionist tendency in that coun-

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try; it is certainly not the result of a protectionist trend in Europe. We must, after all, have a clear picture of how things stand; this is one of the fundamental issues of the conference.

Then there is the second major chapter — all the problems touching on subsidies for industry or agriculture. There is a tendency to call into question the results of the Tokyo Round negotiations. The Community will oppose any such questioning. We adopted certain rules during the Tokyo Round which we shall respect and we do not wish the rules of the game to be changed while it is in progress, just as I have pointed out here on behalf of the Community that we would not agree to aid given to industry in the context of industrial restructuring with a view to achieving greater viability and competitiveness being treated as a subsidy which distorts international trade.

As Mr Seeler has reminded you, we have defined the rules for agricultural products. We shall go no further than this but neither do we intend to draw back from our present position even though some would like to change the consensus negotiated in the Tokyo Round; that is no way of trying to enable an international system to function. A system of this kind requires security and continuity and you cannot just change the rules because of pressure from individual quarters. In the agricultural sector, because crops are likely to be better this year and there may be surpluses, pressure is being exerted on the Community to make it withdraw from its rightful place in world trade. Although we are willing to enter into discussions, we will not change the rules to which we have subscribed. Subsidies are not irregular but provided for in the GATT texts. We shall respect those texts.

A second major category of problems relates to our relations with the developing countries. Mr President, under the circumstances prevailing today we find ourselves in an extraordinarily difficult situation. Let me quote a few examples.

On the matter of the safeguard clause, you know that the Community has declared its readiness to find formulae for the introduction of safeguard clauses in accordance with Article 19. How can these safeguard clauses be limited to deal with the limited problems which sometimes arise? For example, if we have a particular difficulty with Japan and are obliged to take action, should that action necessarily be directed against the whole world and will it not affect the international system? In this connection the developing countries are highly mistrustful of the industrialized nations because they do not believe in our good faith and are afraid that, to the extent that selective measures are adopted (even if they are agreed after consultation and by consensus) the industrialized countries might exert pressure. I therefore do not expect any results to emerge from the GATT conference on this point and studies of the safeguard clause will have to continue. I believe that this is not ultimately in the

interest of the developing countries but the relationship of confidence between the partners has been seriously eroded and a great deal of work will be necessary to restore it.

Secondly, it should be noted, as we have often pointed out, that the situation of individual developing countries differs: a distinction must be drawn between the poorest countries and those which are beginning to emerge onto a higher level of development. It is therefore essential to take account of all the significant elements of the negotiations. Take the example of major Latin American countries such as Mexico or Brazil. Conceivably, their level of development might enable them to open their frontiers and take part in an increase in trade. However, we also know that these two countries are facing a very difficult situation because of their debts due to the increase in interest rates; they are therefore having to reduce their imports to restore their national finances, their ability to pay and to avoid creating difficulties for the monetary and banking system. When we are considering trade and the economy as a whole we must therefore always take account of several factors: these countries should participate in the growth of trade with an economic spin-off which would be beneficial to everyone; on the other hand because of their debts they are experiencing difficulties connected with the money which we have lent them. How can these two factors be offset against each other? The Community has therefore expressed a wish for consideration to be given to the monetary impact, to the influence of interest rates on trade. Trade is not simply the exchange of products but encompasses all factors affecting such exchanges.

As regards new areas — freedom to provide services and advanced technology — I believe that we shall have to agree to fix further meetings in future, recognising that these are important areas in which exchanges must be allowed to develop further although concrete results can hardly be expected to emerge from a three day conference. We are all aware of the complexity of the problems involved. It is even difficult to deal with questions of this kind in a homogeneous Community like ours; how much greater then will be the problem of services and advanced technology in relation to countries on widely different levels of development.

Mr President, the Community's position has been developed on the basis of proposals put forward by the Commission; in all the essential areas it will be able to show the cohesion of its offensive and defensive commercial policy. It is important for the Community to be able to show a common front and I am happy to say that this was possible with the Council and that in the course of the incessant negotiations preparing for the final results of this meeting we have heard no discordant notes in the Community chorus. On the problems of commercial policy the Community is increasingly pursuing an effective strategy on its own. Steel, the gas

Davignon

pipeline and now the GATT conference are all political factors.

We do not expect major results but, under the particularly difficult circumstances prevailing today, we want to prove our intention of continuing on the present lines. We still stand by all the results achieved in the Tokyo Round and by the notion that in the absence of further consolidation of international trade our whole economic system will be at risk; at the same time the rules must be respected by all partners. In this area the Community will put forward a number of considerations underlining the need to open markets; it will draw attention to the need for some countries to put their own house in order before criticizing others.

As regards the developing countries, the Community is quite obviously the most aware of their problems. It will continue that policy while accepting the diversity and complexity of the problems facing our relations with them.

Finally, as regards the development of the activities of GATT, we would like to see them extended gradually so as to deal at a suitable pace with the problems connected with new technology, services etc.

In that spirit, Mr President, we hope that the GATT conference in a fortnight's time will bring useful results on which we shall of course comment in Parliament and in its committees.

(Applause)

President. — I call Mrs Wieczorek-Zeul.

Mrs Wieczorek-Zeul. — *(DE)* Ladies and gentlemen, I have three basic comments to make on the question and on Mr Davignon's statement.

Firstly, we do not yet really have a conclusive answer to the question regarding new ideas on or a new concept for GATT, for a General Agreement on Trade, in the present situation in which it is apparent that most industrialized countries, our leading trading partners the USA and Japan, for example, are prepared to ignore all the principles of free trade if necessary and to try to redistribute world market shares to their own advantage.

I need only remind you of the agreement on trade in steel, which was in fact squeezed out of us and is bound to result in yet more planning and protectionism. Or of the attempts being made by the American administration in particular to impose more and more restrictions on trade with the USSR on political grounds. At this point, referring less to GATT than to trade in this world, I should like to say that, although I welcome the lifting of the embargo on the natural gas pipeline, I would consider it disastrous for the Western

Europeans to react, as it were, by agreeing on a concept that involved a boycott on other products or the introduction of credit restrictions. I would regard that as fatal: such action would be harmful to world trade and would not be in Europe's interests.

I should like some information in particular on the progress made with these so-called compromises. This leads to the question, on which I have not yet heard Mr Davignon say anything: Are we willing to accept the disclosure in GATT of certain self-restraint agreements, certain other regulatory measures and in general to tolerate them in GATT, as it were?

The second basic question following on from what Mr Seeler and also Mr Davignon had to say is this: there is surely a link between agricultural policy and developing countries. How can the developing countries be expected to become more closely integrated into GATT if they are denied any other industrial and trade concessions and access to the Community for their agricultural products? Reference has been made here to the US Government's complaints about subsidized exports of agricultural products from the Community. I should like to say that a test for the USA's attitude is whether it is prepared to agree to a GATT conference of the most important exporting countries being held to reduce subsidies and protectionist barriers to trade in agricultural products. I would ask the Commission, which might lend the speaker an ear or preferably both, whether it is prepared to agree to a conference of this kind and to make this point the subject of one of its proposals at the GATT conference. If so, ladies and gentlemen, we shall kill two birds with one stone:

Firstly, the developing countries would have better opportunities for exporting their agricultural products, we would have enabled a major concession to be made to them, the Community's budget would benefit and even the USA would be compelled to disclose and reduce the subsidies it grants in the agricultural sector.

If the USA does not agree to a conference of this kind, we shall have proof that it is only interested in increasing its share of agricultural exports, not in the noble principles of free trade.

(Applause)

President. — I call Mr von Bismarck.

Mr von Bismarck. — *(DE)* Mr President, ladies and gentlemen, I should like to begin by expressing my satisfaction at the opportunity provided by Mr Seeler's question of holding a debate this morning with the Commission on the eve of the next GATT conference. But a debate is a two-sided affair, and I shall not

von Bismarck

therefore continue until I have the Commission's attention.

(Commissioner Davignon assures the speaker of his attention.)

Like Napoleon, the Count is evidently able to speak and listen at the same time. He has my admiration and respect for this.

Mr Davignon, it is gratifying that the Commission intends to declare its faith in world trade. But not, as you said, defensive world trade, I would hope. Defensive trade is always trade that comes to a halt.

The European Community should be an unwavering champion of the freedom of world trade, and it should be able to put up with a great deal from others. I do not find the constant talk that others should do the same very convincing. The agreement on trade in steel, for example, Mrs Wiczorek-Zeul, is the outcome of various sins that have been committed in the past. If we had not subsidized unprofitable jobs for years, we would not have been in that situation.

I therefore feel we should adopt a principle in this case: GATT begins at home. As long as we go on having these endless difficulties among ourselves, like the ones which have emerged in recent weeks — new certificates of origin, new languages — how are we going to convince others that we are champions of world trade?

The Commission should do a great deal more to sweep away every kind of protectionism, using a very stiff broom. Protectionism is a reflection of the faint-heartedness of the unimaginative. It is half-way to disastrous failure. Anyone who puts his trust in protectionism is committing suicide. In my opinion, therefore, GATT begins at home. We shall be more convincing if we do more in this area.

We must realize that any kind of bureaucratism, which after all spawns protectionism, stops the circulation of blood that is world trade.

What we have developing here is a kind of sclerosis. Competition alone leads to competitiveness. In my view, it is a great mistake to believe that, if we protect ourselves, we shall be more competitive afterwards. No, we shall be worse off afterwards, and it will be jobs that suffer.

We must after all be aware of a few extremely important points so that we know what is at stake next week. All peaceful foreign trade relations depend on order and rules. And GATT is a collection of rules we have imposed on ourselves to ensure freedom. We must therefore stand by these rules, and we must also be prepared to take the initiative in extending them. Trade among ourselves, help for the weaker countries and the maintenance of the foundations of freedom all

depend on our willingness to come to understandings with other peoples beyond our frontiers. I believe that the GATT conference next week should act as a kind of disciplinarian for our egoism, on which we shall choke if it continues to be fostered on all sides.

I will say one thing: a friend is no use if he is not a friend in need. If we betray GATT now, when we all appear to be in economic need, we shall not get it back again. Hence the great importance of today's debate: it will enable the Commission to go into these negotiations with the full support of this Parliament at its back. We should give the Commission a strong mandate, irrespective of our party affiliations, because Europe's vital interests are concerned.

The question of new markets is, of course, a special problem. But there has always been a lack of courage to call for freedom in new markets. The market means freedom. If there is no market, there is no freedom. We should therefore have the courage to accept this principle in this Parliament and send the Commission off to the GATT conference with the mandate to preserve GATT, to extend it and to make it the guarantor of our freedom.

President. — I call Mr Spencer.

Mr Spencer. — Mr President, I will not conceal from my colleagues that I share the nervousness voiced by other Members about the exact effect of these Jumbo conferences, if I can call a conference of 88 Ministers that. This particular GATT ministerial conference seems to me so far to have had two effects. The first is a great increase in the number of speeches praising free trade, and the second is a large number of derogations from free trade in the weeks before the conference. If you look at the list of derogations and at how we actually operate world trade, we have a protected agriculture, we have commodity agreements, we have State trade, we have barter, we have interfirm trade, we have voluntary restraint agreements. Yet we all indulge in the hypocrisy of talking endlessly about free trade as if it were a perfect logical system. We have an exchange of slogans and pious wishes about free trade where we accept the logic but increasingly shy away from the conclusions.

Now why is that? I think it can only be explained by external stress. There is a parallel, I think with the man who gives up smoking. As I gave up smoking 8 weeks ago, I speak with some personal interest in this matter. He gives up cigarettes, but promises himself just that one little cigar when the stress gets too great. Well, I started that one little cigar 8 weeks ago and now I am smoking 8 of them a day. We face a similar kind of stress. In our case it is unemployment, and we allow ourselves just one little protectionist idea when the stress gets too great. That stress is the 30 million unemployed in the OECD countries, a stress which

Spencer

bears on us directly. Of course, the benefit from protection is clear and identifiable for one group of people whose jobs will be safeguarded in a particular country, and yet the costs of protection are borne by all the consumers in that country. However, there is a direct pressure from a direct lobby.

I would argue, however, that the stress has an even more important bearing on protectionist influences in our governments. That stress is caused by the uncertainty that comes from not being able to prophesy the future. Two things have happened in GATT which increase that uncertainty. The major one is the eruption of the newly industrialized countries, with massive penetration of our markets without a corresponding penetration of their markets. That undermines confidence not just amongst parliamentarians but amongst a wide sweep of industrialists and the people who work in their factories. So, unless GATT can revive and reform itself, unless it can engender a sense of responsibility in the newly industrialized countries, with a full assumption of their GATT responsibilities by such countries as Japan, Singapore and Brazil, confidence in GATT as such is bound to be undermined and the pressure for protectionism is bound to continue.

So I hope that we as a Parliament will urge that GATT continues, that it is honest and that it aims for stability. That will require an honest assessment of where we are now and not just speeches about the benefits of perfect free trade.

(Applause)

President. — I call Mr Bonaccini.

Mr Bonaccini. — *(IT)* Mr President, we welcome this debate, for it gives us a chance to establish some general guidelines for this conference — an event whose prospects are made all the more uncertain by the fact that it is not known at what level these talks will be held, nor who the participants will be, nor what tasks will be attempted . . .

This occasion therefore allows us to redefine our general position and clarify our attitude toward certain somewhat exaggerated fears expressed recently by Mr Bismarck and Mr Spencer. Not everything depends on us, but the illusion that if we are good everything will turn out all right has been voiced more than once in this Chamber. If I may say so, this is a political error. We are not going to Geneva to participate in a choral recitation of pater noster; we are going to participate in tough negotiations among able negotiators who play for high stakes, both for their countries and for certain powerful lobbies. Let us say candidly that many of these lobbies are multinational in character, and that some of them have their origins in countries other than those represented in Geneva.

The indication given in this debate by Vice-President Davignon, which calls for the conclusions of the 'Tokyo Round' to serve as guiding principles of the negotiations appears to me to be correct, although I am obliged to add some complementary remarks.

The first is that we are not the only ones to have to face the great questions which touch all consciences and affect the entire world economy. The issue of the underdeveloped countries and of the burden they represent must therefore become a world issue to be dealt with in various ways. We must not forget that at the Toronto Conference the problem of the International Monetary Fund will be among the questions raised. As you can see, the two things are closely connected.

The second remark I wish to make is that our Community bases its strength and importance on trade. We are therefore also a Community of producers, and for this reason there should be a proper balance between the demands of trade and those of production. This is another principle which should inspire our actions. It must not be forgotten that behind freedom of trade there are often hoaxes and attempts to lay on other countries the burden of the unemployed, who, as Mr Bismarck mentioned a moment ago, number some 30 million in the OECD. Personally, I feel that it would be very risky for the Community to assume responsibility for these 30 million!

President. — I call Mr Paulhan.

Mr Paulhan. — *(FR)* Mr President, ladies and gentlemen, a wide gulf separates the solemn declarations made by the seven Heads of States and government at the June meeting in Versailles from the dark realities of this autumn.

In the areas of economic, monetary and commercial policy none of the conclusions reached at the Versailles summit has been followed by a desire to take joint action to emerge from the crisis; on the contrary, trade disputes are proliferating. That is why it is important first and foremost to halt the deterioration in the political and economic climate which characterises relations between the Community and the United States.

The GATT Ministerial Conference is being held at a convenient time for the West to assess the state of its trade relations and envisage the future in more realistic terms.

Two principles must be highlighted. The first is that of western solidarity. We cannot forget the fact that we share with the United States the same values, being attached, like them, to freedom, democracy, the right of association and human rights. Western solidarity, at this time of economic crisis, requires of each partner

Paulhan

mutual respect for undertakings and an equitable distribution of the sacrifices granted in order to safeguard freedom.

This makes the need to pursue a coherent Community strategy all the more urgent. That strategy must be based on an export policy which has in the past been very much the poor relation. The Community's external trade must be more organized, better structured and more aggressive so as to ensure that traditional patterns of trade are not constantly disturbed in future and the employment of thousands of workers jeopardized.

This is true in every sector. It is true first and foremost in agriculture where there is no reason for us to labour under a complex of any kind. The complaints lodged by the United States in respect of poultry, sugar and food products are unfounded. That being so it is unacceptable for the Common Agricultural Policy to be called into question at GATT; it is one of the cornerstones of our Community and indeed the only common policy at present. But here too the Community administration must explain to the American authorities in an ongoing dialogue the underlying justification for our agricultural policy.

The same holds good for steel where the undeniable difficulties of the American steel industry are due essentially to the economic recession and to the structural problems facing American steelworks. The European steel-makers have nevertheless accepted the heavy sacrifices imposed by their governments as the price for an agreement with the American government.

The efforts made by the Member States cannot therefore be disputed. The Community will have to show firmness in the next few weeks.

The same holds good for energy. Up to now no real action has been taken because the Community itself has no common energy policy. Efforts must be made on either side in the present crisis and rigour is essential.

Now that the GATT negotiations are due to begin in a few days time, preparatory talks between the United States and the Community are indispensable.

Confidence must be restored in this area and also in that of monetary policy because monetary problems override all others in the area of trade and international relations.

Let us be quite clear about this. We cannot seek a world monetary order, a genuinely new international and monetary order, unless we ourselves show our faith in the European Monetary System which must be the basis for the convergence of our Community economic and political action. We could then negotiate from a position of strength and — who knows — perhaps even impose an effective reform of the inter-

national monetary system. That is the price of success for Europe and the whole western world.

President. — Ladies and gentlemen, I have just a short announcement to make. I have received two motions for resolutions with requests for an early vote at the end of the debate on this oral question: one from Mr van Aerssen on behalf of the Committee on External Economic Relations (Doc. 1-860/82), the other from Mr de la Malène on behalf of the Group of European Progressive Democrats (Doc. 1-866/82). The vote on the requests for an early vote will take place at the end of the debate.

We shall now resume the debate.

I call Mr Pesmazoglou.

Mr Pesmazoglou. — (GR) Mr President, I would like to express a very large measure of agreement with what has been said by a number of colleagues this morning, and I also want to stress the global, overall character of Mr Davignon's representations on behalf of the Commission. It is very important that we should retain a sense of the interdependence of the various positions that the European Community must support at the GATT conference.

Mr President, I would like to stress two points that Mr Davignon raised.

The first is the need for the Community to assume a serious initiative for the stabilization of the international monetary system, and in this connection, as our colleague said a little while ago, the reinforcement of the European Monetary System is of the utmost importance. If we do not achieve this reinforcement we shall not have the authority or the credibility to undertake initiatives for stabilizing and normalizing the international monetary system.

The other point is the most acute problem of credit for the developing countries. In this matter, the European Community, as that entity which carries the greatest weight in international economic affairs, ought to take an initiative.

Mr President, I would like to ask the Vice-President of the Commission whether there are any specific thoughts or plans for the Community to take up such initiatives concerning the international monetary system and the international credit system. Without such initiatives our presence and the weight of anything we say at GATT will be of diminished significance.

IN THE CHAIR: MR PFLIMLIN

Vice-President

President. — I call Mr Fuchs.

Mr G. Fuchs. — (*FR*) Mr President, ladies and gentlemen, we are all familiar with the disadvantages and risks of protectionism. However, this does not imply to my mind that in this period of crisis we should look to free trade in its purest sense for our salvation. There are at least three reasons for my view.

Firstly, our principal partners do not have a pure free trading system. Mr Davignon has most appropriately reminded us of this just now. Secondly, there are obvious social reasons which may make transitional safeguard measures necessary. Lastly, and I almost said primarily, for industrial reasons because as we all know it is not possible to construct a new industry without protection.

Today Europe is facing the challenge of following the United States and Japan in building the production apparatus required for the third industrial revolution.

Is there any need for me to remind you for example that European informatics equipment accounts for only 10% of the world market and 40% of the domestic market? Should we not therefore seek a new organization of trade somewhere between protectionism and complete freedom, fixing through joint international agreement the levels and rates of development of trade in certain sectors at least? I wanted to put that question to Mr Davignon.

President. — I call the Committee on External Economic Relations.

Sir Fred Catherwood, *chairman of the committee.* — Mr President, first of all I apologize to the absent Vice-President Haferkamp. In September we kept him here with a toothache until midnight. We thought that Tuesday morning was a more civilized time for him to come.

Second, I should like to congratulate Mr Davignon on his very lucid exposé and also on his successful conclusion of the American steel negotiations.

We may not be satisfied with the results, but with his negotiating ability we know that they are the best results we could possibly get.

Then I would like to say that I agree very much with Mr Seeler, which saves my saying a great deal because he has said it all. I agree also, of course, with my colleague Mr Spencer. And I would agree too with Mr Paulhan and Mr Fuchs who mentioned the European Monetary System. It does seem to me that we are at the position where we are negotiating at the worst possible time because the other instruments, the Bretton Woods agreement and the international system, have collapsed. We no longer have an IMF that provides currency stability so we have highly unstable currencies and people are trying to protect themselves

against that by using trade barriers. So if you have one instrument that has gone, you have enormous pressure on the others. Of course the World Bank can no longer help the Third World, they are bankrupt and therefore until we can get a European economic resurgence and get our economies moving again, we are going to be in difficulties in the GATT. Therefore it seems to me that the best that we can hope for out of these particular negotiations is simply to keep the system going until we have a better rate of economic performance. When people are doing better and do not feel so vulnerable, we can begin to do the things in the GATT that need to be done in relation to the newly industrialized countries and in relation to all of the other problems that have arisen like the services, and so on.

So I would say to the Commissioner that the thing to do is to keep the system going. If we cannot get all the things that we want this time round, leave them; do not risk breaking the system, and that includes the problems of the multifibre agreement where I think national governments simply must not hold out for too hard a settlement at the present time. We have simply got to see a multifibre agreement put back in place on whatever conditions we can reasonably obtain. I think we are not too far from that and national governments really must not risk the whole GATT.

Then I would like to say that I agree with Mrs Wiczorek-Zeul and Mr Seeler who have spoken on the question of agricultural trade. Our agricultural exports are not what keeps the European Community going. It is our industrial exports. Europe is an industrial community and we earn our living by industrial exports which are sold at above cost. We do not earn our living from agricultural exports, which are sold substantially below cost. And we are, at the moment, extremely vulnerable in risking our relations with those countries, like the United States, whose agricultural exports matter enormously to them. If we press too far we will also risk the GATT.

President. — I call Mrs Le Roux.

Mrs Le Roux. — (*FR*) Mr President, at the end of the Tokyo Round the French Communists said that the Community and the Ten were giving in rather too easily to American demands on certain agricultural and industrial products.

The worsening deficit of the Community and of France — about 25 000 million in 1980 — with the United States proves that we were right. The attitude of the United States and of the Community has induced the developing countries to make a separate declaration denouncing the attitude of the western countries. Far from taking account of their demands, the latter have sought on the contrary to divide them in particular on the question of safeguard clauses and

Le Roux

the prices of certain primary commodities. The Community at no time decided to treat monetary problems as a vital feature of world trade although the United States used the fall in the dollar parity as an instrument of trade policy. The lasting recession facing the western countries led, for the first time in 1981, to an overall stagnation of international trade. Today we are paying dearly the cost of years of restrictive policy and management options based on the limitation of markets and consumption. We must now seek an answer to the real questions.

Firstly, we consider that the Community must approach these negotiations in a spirit of the utmost firmness and refuse American blackmail, particularly on agriculture. The fact that the United States gave in, not without some contradictions, on the gas pipeline embargo shows that the Ten can, if they are so minded, collectively defend their commercial and industrial interests. In this respect we welcome the fact that the Community has already modified its position at the insistence of the French government. Our experience of the Tokyo Round confirms the obvious fact that liberalization of trade is not sufficient. We note that the exclusive priority given for many years in France to exports contributed to our structural weakness. It is therefore essential for each country to be able to choose its structure of industrial production, and the type of growth and development of its domestic market which will give it the instruments needed for balanced external trade.

Secondly, we hope that the interests of the developing countries, particularly the ACP, will be taken into consideration. May I remind you that this is the tenor of the Vergeer report adopted by the Consultative Assembly.

Thirdly, it would be inadmissible for the problem of the rising dollar parity and that of interest rates not to be dealt with since the rise in the value of the dollar is creating considerable difficulties for international trade, particularly by increasing the cost of some raw materials in the energy sector to the detriment of the European and developing countries alike. Mr President, we believe that these three basic questions must be examined if the forthcoming trade negotiations are to have any chance of succeeding.

President. — I call Mrs Kellett-Bowman.

Mrs Elaine Kellett-Bowman. — Mr President, I should like to speak on two matters on behalf of the textile industry. Our textile industry has been decimated by imports not from poor developing countries but from newly highly-industrialized and increasingly wealthy countries. We must oblige these countries to accept restrictions under the bilateral agreements of the Multifibre Arrangement on the tide of their imports currently flooding the Community, or face the use of the

safeguard clause. We should also bring in origin marking throughout the Community so that Community consumers who wish to help their own industries to survive can know what they are buying and make an informed choice when buying. Without these two measures even more jobs will be lost in textiles and our industry threatened with extinction.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) Mr President, since a number of precise questions have been put to me I think it is preferable to answer them briefly.

Firstly, Mrs Wiczorek-Zeul put three questions to me. Was the lifting of the embargo accompanied by trade policy undertakings of any kind on the part of the Community? The answer is no. The Community was involved in these discussions on the lifting of the embargo. We decided to pursue a number of matters in greater detail, notably the problem of energy independence but there has been no change in the Community's Common Commercial Policy in relation to any country whatsoever. I was then asked whether the different bilateral or self-limitation measures should be dealt with in GATT. We look favourably on that idea but this is a difficult question. Why? Because anything which is tabled for discussion in GATT acquires an official character and an aura of respectability. There are thus two arguments to be considered. The developing countries and certain other nations do not look kindly on the idea of GATT as a notarial body which records action taken but can do nothing itself. The problem therefore is to find a suitable formulation.

I turn now to the third question. In the agricultural sector we face a situation which varies widely from one developing country to another: some are dependent and we are trying to take joint action with them to develop their own agricultural policy — that is the aim of the memorandum submitted by my colleague, Mr Edgar Pisani; others are looking for markets in the European Community. It should be noted that at present the largest share of the Community market for agricultural products is held by industrialized nations and not by developing countries. That is the problem. Soya for instance comes from the United States and not from developing countries.

I wish to thank Mr Bonaccini for pointing out that the outcome of the GATT conference does not depend entirely on the Community. That point must be remembered. We are not the most favourably endowed, but in the last resort we shall have to apply the GATT conclusions. That is why we must defend our own position in an awareness that other interests and other positions will also be developed. I believe this to be important.

Davignon

I wish now to return to second point. Sir Fred Catherwood and Mrs Le Roux pointed out that as long as the monetary system remains in the present situation it will be extremely difficult to attain any security in international trade. The monetary problem weighs heavily on our present situation and I think we must recognise this. I am happy to note however that all the speakers are in favour of further development of the European Monetary System which would enable the Community to defend its interests more effectively in the monetary sector.

Finally, Mr President, Mr Spencer was right to point out that GATT meetings are always an occasion for fine speeches in favour of free trade; but those speeches are not necessarily followed by many decisions on the lines advocated. I therefore believe it is most important for us to avoid the development of hypocritical phraseology. We shall not be making great progress at the GATT meeting in November. To announce or claim that we will would serve only to create ambiguity. If in the present circumstances we are able to bring about a real political commitment to put an end to protectionist pressure while taking account of our specific individual situations, we shall have made political progress and restored fresh influence to GATT. We are all able to speak of GATT in abstract terms but I fail to see the value of doing so and I am sure Parliament shares my view. We are dealing with practical reality and must continue to do so.

I shall also answer Mr Fuch's question in those terms; any industrial strategy which we develop must quite clearly be accompanied by an offensive commercial strategy. This implies opening the markets of third countries and also in the present transitional period — the GATT measures, the anti-dumping measures are not protectionistic — the use of rules enabling us to protect ourselves against abuse or against the lack of balanced commitments from all parties.

Mr President, I have commented very briefly on the positions expressed in Parliament which the Commission has noted with satisfaction. I believe that we are on the same wavelength: if we are to take concrete action we must stem the rising tide of protectionism. After all, ladies and gentlemen, we must recognise the fact that external protectionism would inevitably be followed in a few months time by protectionism within the Community.

President. — Thank you, Commissioner, for noting the identity of views of Parliament and those, always judicious, of the Commission.

I call Mr Seeler.

Mr Seeler. — (DE) Mr President, I do not intend to prolong the debate. I should like to thank all those who have spoken for their interest. My thanks in parti-

cular to Commissioner Davignon for the admirable way in which he has deputized for Commissioner Haferkamp. I have only one request: as Commissioner Davignon was merely deputizing for his colleague, he was, of course, unable to give full answers to the four questions I have tabled and presented in the House. But it would be useful for the debate and for discussions in the Committee on External Economic Relations after the GATT conference if we could have the answers in writing. I would be grateful if you could arrange this.

I also believe, Mr Commissioner, that I can say Parliament has shown that it fully supports the line you intend to follow in Geneva next week, and I hope that this line will lead to success for the European Community.

President. — The debate is closed.

We shall now vote on the requests for early vote on the motions for resolutions (Docs. 1-860/82; 1-866/82) by Mr van Aerssen and Mr de la Malène.

I propose that we take a single vote on these two proposals since they have the same subject matter.

(Parliament approved the requests for early voting)

The motions for resolutions will be put to the vote at the next voting time.

2. Research

President. — The next item is the report, drawn up on behalf of the Committee on Energy and Research, on the Common Research Policy: problems and prospects (Doc. 1-654/82).

I call the rapporteur.

Mr Linkohr, rapporteur. — (DE) Mr President, ladies and gentlemen, the report on research policy in the Community has been drawn up on Parliament's own initiative. It pursues two aims. Firstly, it is designed to inform Parliament on research policy, since we must, after all, know what we want. Secondly, it puts various proposals to the Commission, the Council and the Member States.

As rapporteur, I have therefore endeavoured from the outset to find the broadest possible political basis for the motion for a resolution. I have largely succeeded in this, except where the views of the political parties in this House differ widely. One such controversial point was the involvement of research workers in research policy, and we shall simply have to vote on this.

Linkohr

Apart from this, it must be pointed out that interest in the research policy is growing. I believe this is essentially due to three factors. Firstly, scarce resources are forcing us to cooperate. The budgets of the Member States are under strain, and money can be saved through cooperation. Secondly, we are beginning to sense that Europe is lagging behind its two main competitors, the USA and Japan, in technological development. Innovatory activity is increasingly shifting from Europe and the East coast of America to California and Japan, from the Atlantic to the Pacific area. Although we are very strong in basic research, we often fail to use it to develop products which are technically interesting and marketable. The video recorder, for example, was invented in Germany, but developed into a marketable product in Japan. We once led the world in optics: the optical industry in Europe is now fighting for survival.

In other words, not only are we losing ground in the traditional industrial sectors such as steel, shipbuilding and textiles, but even the new sectors are in danger. This is due to a number of factors, the most important surely being that this Community with its 270 million inhabitants is not a uniform economic area, that differing training systems prevent us from making the Community into a uniform scientific area. The mobility of research workers is limited and is not encouraged to any great extent.

Cooperation is closest in basic research, where we have achieved satisfactory results. Examples here are high-energy physics at CERN in Geneva and biology. But if we consider technological development and the marketing of products, the Community proves to be more of an association of ten stubborn Member States than a uniform economic area. The success of the Airbus or, for example, the cooperation in space technology show that it does not have to be like this. The conclusion can therefore be drawn that Europe will remain at the top of the technological ladder only if it thinks European. When Europeans cooperate, they usually achieve something.

I repeat: in basic research we are still a match for the others, and in some cases we are superior to them because the size of the market is not a significant factor. In technological development and marketing, on the other hand, we are losing ground because we are still too inclined to think in national categories.

The third factor that has led to greater interest in research policy is the growing awareness that technology and science are increasingly shaping the lives we lead. Research policy must not therefore be seen solely as an economic instrument.

I feel we should bear the following in mind: since the late Middle Ages Europe has differed from other advanced cultures in that it has made possible or permitted critical science. Descartes' *Je pense, donc je suis* is a European tenet. It was not stated in this way else-

where. This was also possible in Europe because the state and the church separated.

Whatever the explanation, the fact is that we and not others led the first and second industrial revolutions. At the same time, the bourgeoisie and the workers' movement, democracy and the welfare state developed in Europe. This would suggest that the leading role we played in the first and second industrial revolutions, and the need to cope with the effects they had, forced us and enabled us to create our own political and cultural framework in the way we wanted, not always without conflict, but finally there emerged something which constitutes our identity. When we speak of Europe today, it is these ideas of social co-existence which define us.

Since the 1940s, however, there has been a continuing collapse. The Europeans have largely surrendered their leading role in technological and scientific development to others.

Playing the leading role in technological development has something to do with the way in which people shape their cultural and social circumstances. I am afraid that the loss of the leading role during the third technological revolution will force us to behave in a way that does not correspond to our own past, our own tradition. I therefore believe we must make the research policy into a Community policy.

I do not want — nor do I have the time — to itemize all the recommendations and analyses contained in the report. I hope that we can agree on the essential items. What is important, however, is that the political will to turn them into practical action emerges from this debate.

(Applause)

President. — I call the Socialist Group.

Mr Adam. — Mr President, if the ideal of the Community has any real meaning then it ought to find some expression in research policy; there are so many obvious advantages in resource allocation and in cost. Unfortunately, the research policy: within the Community do not follow such a coherent pattern and that is why the Socialist Group particularly welcomes this own-initiative report which has been quite brilliantly prepared by Mr Linkohr. The report comes at a politically opportune time: it coincides with the Council discussions on a new European research strategy and a corresponding outline programme for the next multi-annual programme for the Joint Research Centre.

The speed of technological changes coupled with short product life poses very great difficulties in meeting the requirements of the democratic process and the requirements of an effective research strategy.

Adam

It is absolutely essential that we separate the political objectives from day-to-day scientific management and we need a better system for monitoring progress, one which has the confidence of elected representatives, and an essential feature of this is that the Members of the Committee on Energy and Research and of this Parliament should have confidence in the specialist groups which are advising the Commission. The Socialist Group shares the concern which Commissioner Davignon has frequently expressed at the energy and research meetings at the lack of objectives and the lack of political backing. Some of the projects put forward have taken five years to gain approval. Now this is simply not acceptable in relation to the speed of current technical change. We are far too slow!

Why is the Community doing so badly? I think we are suffering from a conflict between public and private research interests and from an unwillingness by Community countries and research institutes within the various countries to share knowledge and cooperate technically. We have got to resolve these problems in favour of public interest. We need a change in attitude every bit as important as an increase in the allocation of resources. Otherwise we will simply not meet the challenge from Japan and the United States.

I want to stress two aspects of Mr Linkohr's report. The first is the importance of increasing research expenditure to 2.5% of GDP and the second is the need to get a shift in emphasis away from defence-related research. The aspects are very well set out in the explanatory statement.

The group will not support Amendment No 13 by Mr Seligman which seeks to involve NATO in the research aspects of the Community, nor do we see any need to support Amendment No 21 by Mr Pedini which singles out the Super Sara project for particular praise. We do not think that that is the purpose of this report.

There is an amendment — and I do not know the number, Mr President, because I have not got the complete set of amendments for this debate, which is something that perhaps the Bureau might look into — on the participation of employees in the TRCs. They must play a full part in the decision-making process and have responsibility for the results and we do urge the House to support that amendment, which is in the name of Mr Linkohr.

This report is not a call for the Community to do everything, but it spells out in clear and unmistakable terms the need for a coordinated strategy within the Community. Without such a strategy there is no possibility at all of industrial regeneration in Europe.

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

Mr Pedini. — (IT) Mr President, ladies and gentlemen, the Group of the European People's Party supports the Linkohr report, appreciates its value, and is pleased to have contributed, by means of several amendments in committee, toward making it more explicit regarding certain points. The report is a timely one since a revival of the policy on scientific research appears essential in order to overcome the present difficult situation and to reconquer international competitiveness; it is timely because if we do not present the European Economic Community to young people as a means for taking up the scientific challenge of our times, we will be shirking a moral responsibility.

We stress the reference made in this report to Article 45 of the Euratom Treaty, in the hope that for scientific research we can accomplish the joint projects which have unfortunately so often failed to materialize.

We support the rapporteur's appeal for a greater Community commitment in the field of agricultural research.

We welcome the attention paid to collaboration with the developing countries in the field of scientific research; we agree that scientific research cannot be carried on in the Community without effective coordination to streamline Community programmes and induce national centres to increase their efforts directed toward European goals.

We too recognize the insufficiency of the funds allotted by the Community to scientific research and we deplore the fact that in its most recent study of the budget the Council saw fit to make cuts in these funds.

We agree, therefore, with the report, and, contrary to what Mr Adams said, I hope that the rapporteur will act consistently and accept my amendment: for if it is true that we want to make the Joint Research Centre, and Ispra in particular, a centre of safety to quiet fears of nuclear accidents, it seems to me equally true that we should reaffirm our support, already expressed in this Parliament (although with the opposing vote or the abstention of Mr Adams) for the Super Sara project. I believe it necessary therefore to ask Commissioner Davignon for information regarding the implementation of this important project, for which — I repeat — Parliament has already expressed its support, even if this was not mentioned in Mr Linkohr's resolution.

President. — I call the European Democratic Group.

Mr Seligman. — Mr President, ever since Eve gave Adam the apple of knowledge the pace of man's search for new knowledge has become increasingly hectic. It is one of the wonders of creation that there seems to be no limit to the scope of research: it is an

Seligman

ever-receding horizon. Will we ever exhaust nature's secrets? Will our scientists ever discover everything and thus complete the mission of the human race on earth? I apologize for this flight into philosophy, but we are discussing research.

Mr President, we congratulate Mr Linkohr on his penetrating report which should be read in all the capitals of Europe because research is an ideal function for the European Community. People are beginning to realize now that without adequate research and development, the area of operations remaining for European industry is going to continue to shrink and we will be squeezed out of business by Japanese and American high technology on one side and murderous price cutting by Korea, Taiwan and Hongkong on the other. There will not be any room left for us. So without dynamic research European industry will not be able to find jobs for our workers. Now Europe must regain control of our technological future if we are going to resist dictation and blackmail by the major powers, as we have seen on the pipeline.

It is not that we do not spend enough on research — we certainly do. European member nations spend 45 billion dollars a year on research. The trouble is that our research expenditure is only half as productive as America's and Japan's, and there are several reasons for this. Mr Linkohr has given many of them. The first one is that our R & D is not properly coordinated: each country does its own thing resulting in duplication and failure to take advantage of scale.

The second reason is that while Europe has outstanding brain power for fundamental research, we have failed to exploit the business opportunities which come from that research. Americans and Japanese are much better organized to pick up our ideas and exploit the mass market for them.

Thirdly, the cost of research is outstripping our financial resources, since scientists seem to want powerful computers and yet they do not want to get rid of the staff that they had before they had computers.

Fourthly, European industry lacks the technological spin off from defence expenditure which America uses to such good purpose.

Fifthly, Members of Parliament and the Council of Ministers are ill-informed technically and are therefore unqualified to define research objectives and dictate priorities.

Sixthly, there is an instinctive fear that high technology is the cause of unemployment when in fact it not only improves the quality of life but it also has always, ever since the invention of the wheel, created more jobs than it has eliminated.

Seventhly, in recent years governments have been so obsessed with the need to keep alive decaying indus-

tries of the past that they have paid too little attention to the industries of the future.

The Linkohr resolution calls for action to deal with all these problems. I would, however, put more stress on the need to improve the spin off from defence research by closer cooperation with the appropriate bodies in NATO. Mr Adam gives no reason for opposing this amendment; he just does so from a doctrinaire point of view, presumably.

Again, in order to improve the ability of our Parliament to define research objectives and to monitor progress, we should establish a close relationship with the European Science Foundation which has its headquarters in Strasbourg. It is designed precisely for that purpose: to advise politicians who are not technical. It is also recognized by the Council of Research Ministers.

Finally, since industries in Member States are being forced by recession to discard many large, speculative, long-term research projects, such as the research into alternative energies, the Community should see that its task is to pick up the fragments of these projects and, by pooling our research facilities between nations, in the words of the great Jean Monnet 'find common solutions to common problems'.

President. — I call the Communist and Allies Group.

Mr Veronesi. — (*IT*) Mr President, this is not the first time that our Assembly takes up the issue of scientific research. This is as it should be, and it goes to demonstrate that the question involved is of current and lasting importance. Even the most superficial observer can grasp the rapid evolution of the political and economic evaluation of this activity which has occurred over the past few decades. Science and scientific knowledge are no longer merely the natural philosophy of the Renaissance, the flower in the prince's lapel: they have become a powerful productive force, an instrument of economic development and progress. One has only to follow the daily news to understand this precise modern significance of scientific research through its continual outstanding successes.

The fine report presented by Mr Linkohr — whom I warmly congratulate gives a complete overall picture of this reality. The value of Mr Linkohr's work is not limited to the up-to-date description of the general possibilities of scientific research; it also contains an acute and exhaustive critical analysis of Community research activities, points out their advantages and limitations, and provides operative guidelines aimed at making Community scientific research more dynamic and better able to cope with the tasks which lie before it.

The picture given in the report is summarized in the suggestions and proposals of the resolution: the Itali-

Veronesi

ans of the Communist and Allies Group will vote in favour of the resolution, and I speak for them in expressing great appreciations of the motives which accompany it. We have no particular observations to make. We wish only to emphasize certain points regarding which we appeal to the Commission and the Council for a more decided commitment.

First: a more precise institutional definition of activities of scientific research is needed. Until now we have been obliged to operate without a precise formal and legal point of reference.

Second: we must consider the allotment of resources dedicated to research: the Linkohr report highlights the weakness of Community financial support for this activity.

Third: the Joint Research Centre must be strengthened and restructured, for it represents a precious financial patrimony with a potential which must not be dispersed: on the contrary, it is time to give a strong dose of energy to the young, so as to win new vitality for the forces of research.

I take this opportunity, Mr President, to express support for the Super Sara project. For reasons of health I did not attend the debate on this issue, and I wish now to state my support for this programme, reminding the Assembly of its great scientific, economic, and political importance. It represents an opportunity we cannot afford to miss, all the more so because it can be brought to a successful conclusion.

A fourth observation concerns collaboration between industry and scientific research. There are difficulties in this field; it is necessary to draw up rules and codes of conduct in order to make the work of our centres profitable for productive activity.

Five: we wish to underline the importance of sensitivity on the part of the Community to the problems of the developing countries. We must use all possible means to deal with this problem, forming technical teams, treating specific subjects of research, and encouraging research *in loco*. All this should be done with respect for the dignity and cultural traditions of the countries concerned.

Finally, I will repeat what I maintained in committee: Europe has the cultural potential to face the world challenges in this field. We are steeped in the classic cultural tradition. The Renaissance and the Enlightenment are the birth certificate of modern science, which was born in Europe: physics, mathematics, biology, chemistry were born here. We must not forget this, and we must have faith in this tradition. I say this because I think that here and there one can perceive a certain scientific Malthusianism, a feeling of defeatism which must absolutely be rejected. In the face of international competition we must avoid empty pride, but we must also avoid unjustified resignation. In order to

attain our objectives, we must establish close collaboration in the Community context: this is what is insufficient at the present time. We must work to establish this new reality.

President. — I call the Liberal and Democratic Group.

Mr Galland. — (FR) The remarkable report by Mr Linkohr which I should like to consider in more detail deals with the real problems. I shall however confine myself to a few remarks, Mr President. The technological advance of the United States and Japan in the research sector and the resources brought to bear by these two countries must give us grounds for serious concern. The response to that challenge which will determine our own future is extremely complex but has at least one simple aspect: Europe must invest more in research but, above all, it must make better use of its resources and research workers. Otherwise in the near future our ten countries joined together in the Community will come to form a new economic grouping, that of the mediocly developed countries. That is the real challenge. We therefore unreservedly support the Linkohr report and wish to highlight its essential features. As regards paragraph 21, we believe that nothing will be possible unless a statute is laid down for European research workers making provision not only for mobility but also for career prospects. As regards paragraphs 26 to 31, the Joint Research Centre in Ispra obviously has a role to play. In this respect I was sorry to see the way part of your own group voted, Mr Linkohr, in refusing, during the budgetary procedure, to provide for Ispra the appropriations which you and I know to be necessary. As regards paragraph 46, I personally would like to go further in the same spirit as the rapporteur; that is why I have tabled an amendment seeking not to create new European centres — because I share your opinion on this — but to establish European research centres on renewable forms of energy as extensions of existing national centres.

The problem is simple: where one of our countries is in the lead — and ahead of others in research on renewable energies — we should concentrate our resources and the efforts of our research workers on the results already obtained in that country. In this way we shall be able to progress more quickly and make better use of our research funds. The French lead in solar energy could become a break-through for Europe. In the sector of geothermal energy the Italian achievements should enable the Ten to accelerate their work. Experiments in tidal power should be developed further in the United Kingdom while we should seek further progress on the use of wind energy in the Federal Republic of Germany.

Mr President, I come to my conclusion. I have explained the reasons for my amendment which I hope will gain the support of the rapporteur and Assembly;

Galland

the Liberal Group will be voting in favour of this report because we do not wish to see the ten European countries one day joining the ranks of the mediocly developed countries.

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

Mr Cousté. — (*FR*) Mr President, the subject of our debate has considerable implications and ramifications. My group believes that a European Community Research Policy is becoming increasingly necessary with each passing day for three reasons.

Firstly, because of the explosion in the cost of research; since research programmes are becoming increasingly expensive their financing poses more and more complex problems, particularly when the relevant expenditure must be covered from national budgets which are facing real problems and severe deficits.

Secondly, competition is so strong between Europe on the one hand and the United States and Japan on the other that it is becoming increasingly necessary to avoid all duplication in research projects at national and at Community level.

Finally — and this is my third reason — the technological changes which are confronting Europe with completely new development needs make it essential for us to effect substantial transfers of financing capacity from national to Community level.

Last week in the national assembly I questioned Mr Chevènement about this European commitment. Unfortunately it is becoming increasingly clear that even when we have been promised closer cooperation in Europe, the reality is increasingly nationalistic and quite clearly the desire to avoid duplication is not being given priority.

Moreover, Mr President, despite the characteristic of our Community which is to ensure mobility of citizens and of capital, but above all of our citizens, we note that in reality the mobility of research workers between our countries is very low. In this respect the Commission would be well advised to see to the practical implementation of its decisions.

When written questions in particular are put to the Commission, it is particularly striking to note that references are made to a few dozen people who have moved from one country to another but quite clearly there is no real mobility which is the strength of research in the United States where a common research market exists together with common commercial, banking and other markets.

If I may say so this handicap is particularly serious. Admittedly the Commission has put forward precise

research objectives. I welcome its initiatives and would point out that it must use the occasion of the present meeting of the Council of Research Ministers to see to it that its proposals do not remain a dead letter but are followed by practical action.

(*Applause*)

President. — I call Mr Markopoulos.

Mr Markopoulos. — (*GR*) Mr President, Mr Linkohr's report is undoubtedly a report of very high standard and I congratulate him. It reflects all the Community's anxiety for its future in the sectors of research and technology, an anxiety deriving, of course, from the enormous progress achieved in other countries such as Japan, the United States and the Soviet Union, whose repercussions on trade and industry tend to have sad consequences for the competitiveness of the Community. However, it is clear that in those countries the progress achieved is not merely due to the allocation of financial resources and the appropriate use of native or hired brains. It is largely due to the coordinated character of these efforts, to the uniform distribution of programmes among all the areas of those countries, and to the centralization of the decision-making competences.

But what does the European Community mean? It means enormous potential in technological resources, but concentrated in only three central countries, and beyond that a graded underdevelopment in the other countries, which latter are constantly exporting their finest brains to the former, but even more so to America. I am very much afraid that today's Linkohr report tends to perpetuate this situation. By blocking the path to new community research centres, manifestly concentrating the Community's efforts on the already existing activities and calling for the free movement of scientists, a thing that in essence means a continuation of the exploitation of scientists from countries that do not possess developed technologies, the report ignores the grave problem of the need to homogenize Europe and creates preconditions for a continuous widening of the gap between the developed countries in the EEC and those that are lagging behind in technological development. Our opinion is that the road towards a stronger Europe in the research and technology sectors must pass through the stage of equalizing the levels of the Member States of the EEC in these sectors, a thing that would have an immediate impact on the homogeneity of their industrial development as well. This can only be achieved by an appropriate allocation of the essential efforts, which will result in the development of local potential, but particularly of the human potential which will be enabled to remain in its own country. This is true of more than one country in the EEC, but speaking especially about my own, I would like to stress that we feel bad each time we count the scientific talent with which we feed foreign

Markopoulos

research institutes and universities. And we feel just as bad when we count our own as yet undeveloped potentials. I have to say that we are not prepared to remain the partners with the beautiful seaside and the high-quality cucumbers while the expatriation of our scientists continues.

No doubt it is nice to talk of aid for the developing countries outside the EEC. But we must first set our own house in order.

In conclusion Mr President, we ask for the amendment of those points in the report that in effect divide the Member States of the EEC into two groups, perpetuating the technological distance between them, and advocate the formulation of a more decentralized development in research and technology as proposed in our amendments, believing however that this report should be adopted.

IN THE CHAIR: MR MØLLER

Vice-President

President. — I call Mr Eisma

Mr Eisma. — (NL) Mr President, to begin I would like to apologize for my absence in the discussion which has just taken place. The visiting Norwegian delegation expressed a desire to be informed on the Community energy policy and its research and development policy.

The report of 3 December 1981 which we are now dealing with has been to some extent overtaken by events in the meantime. The Linkohr report covers, for example, the Super-Sara project and a Community microelectronics and computer policy. However, the House dealt with these aspects as recently as two weeks ago. Notwithstanding this I would like to congratulate Mr Linkohr on the most informative document he has produced. I have certain reservations about the draft resolution; I am not questioning its quality but rather its length — 57 paragraphs is, in my opinion, much too long. I was of the opinion that draft resolutions in this House were to be characterized by their succinctness.

Mr President, we are unreserved supporters of the division and coordination of national and Community research programmes or, as the rapporteur himself calls it: a 'grammatical swap round'. A division at Community level can only have advantages for the dissemination of the knowledge gained, efficiency in the field of research and development potential. However, in relation to the budgetary consequences I would

have to disagree with the rapporteur's assessment that the Member States' budgetary means in the wake of such a division would have to be equal. It is precisely because large scale research and development of new technologies are being transferred to a Community level that the Member States concerned should make special allowances for the cost involved in their national budgets.

An advantage in this respect lies in the fact that the sum of the ten national research budgets and that of the Community after such a transfer will not be smaller. Only then will the European Economic Community be a tangible factor for the Member States, namely when the responsibilities both organizational and budgetary have been fixed at Community level. The result of this is naturally that the Community research budget will have to be considerably increased. An increase of 40.3 million ECU in the energy, research etc., chapter as suggested by the House during the last budget debate would be a strict minimum. It will be a test case both for the Council and for ourselves to see if the Council is prepared to go along with these increases next month.

I hope the rapporteur will understand why, on the basis of this philosophy, we would have to take issue with his conclusion in paragraph 52. To attempt a redistribution of research activities between the member States involving the latter contributing 2.5% of their GNP to research seems to us to be highly unrealistic.

Mr President, the resolution places particular emphasis on agricultural research, microelectronic-aided research etc. It is always disappointing to have to note that whenever the topic of energy research is raised the introduction to the resolution invariably contains no or at most very little, reference to alternative sources of energy or measures to reduce energy consumption. On the coordination of research in the human sciences the resolution is quite weak and contains hardly any reference or alternatively proposes that its treatment be postponed to a future date. The same applies to environmental research. I find this a disappointing aspect because Community coordination in, for example, health issues and research therein lend themselves quintessentially to a Community strategy.

Finally Mr President, the resolution expresses the hope that the Commission will present its multi-annual research programme before the end of 1982. Given that 1982 has almost reached its end I would appeal to the Commission to state whether it is intended to publish this report next month and, if not, when.

President. — I call Mr Pasmazoglou.

Mr Pasmazoglou. — (GR) Mr President, I too would like to stress the importance of Mr Linkohr's report

Pesmazoglou

and to congratulate its author on its very positive content. Mr President, I would like to refer to the broader relevance of the matter to regional development in Europe and in particular, since I naturally also speak on behalf of Greece, the Mediterranean south. Mr Linkohr was quite right in observing that up to the present research effort has had a national character and has been unrelated to the unity of the European Community.

Mr President, I believe that in our effort to create a strong European Community the development of the scientific and research potential in all the countries, and particularly in those that are industrially and economically weakest — and I am of course thinking of the countries in the Mediterranean south — is especially important.

In this connection I would like to emphasize the need for the Community to assume initiatives in two directions: one of these is the possible wider use of scientists and researchers from the less developed countries. This has been stressed by a number of colleagues and I wish to emphasize its importance. I also emphasize the need, which was also stressed by Mr Galland, to establish a uniform general situation for European researchers. The second direction that I think is particularly necessary is the economic and organizational support of energetic initiatives and activities in the less developed countries. I repeat once more that this matter is especially important for countries in the Mediterranean south, including my own country, Greece.

Mr President, I believe that if this comes to pass, the common effort to renew and promote research and to apply its fruits will assume great significance and the entire area of the Community will make progress in the directions indicated and that are the only directions for preserving and reinforcing the international position of the European Community.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) The Commission welcomes Parliament's decision to draft an own-initiative report on this essential matter. It is after all important for the discussions between the Commission and the Committee on Energy and Research to be followed by a number of pointers to enable Parliament to define its own options. I should like to make two general observations.

Firstly, to the extent that we wish to pursue an offensive economic strategy in the Community today, it is imperative to include in it the dimension of research and development. In our discussion of the GATT negotiations we spoke of the need for Europe to preserve its manufacturing and industrial capability. In the absence of research we shall lack the share of the mar-

ket for new products which we enjoyed in the case of traditional products. That is quite certain and when we analyse the situation facing us today we note that we are losing a greater share of the market for new products than for old products. A real effort must be made here. But it will not be made if the Community fails to integrate its research strategy into the broader context of its economic activity. As several speakers have pointed out, research is not a separate factor. Fundamental research is no longer an ancillary activity but one which is central to the future development of the Community. It is essential for this fact to be recognised.

My second general remark concerns the situation within the Community. Without a Community strategy for research and development, a number of countries would be unable to pursue a national policy capable of compensating for the absence of a European policy. Do not be deluded into thinking that bilateral or trilateral agreements can be a sufficient substitute; agreements of that kind are not unimportant but can only relate to specific areas without providing a general framework for future activities.

Mr President, the Commission is on exactly the same wavelength as the Linkohr report. My only possible criticism would relate to the length of the resolution which is for that very reason less incisive. But it is better to have forgotten nothing than to fail to deal with the subject thoroughly.

What does the Commission intend to do now? I shall confirm what I said to the Committee on Energy and Research. The Commission's outline programme aimed at integrating our various future common actions into an overall approach under the aegis of the Joint Research Centre or by some other procedure, will be submitted early next year to enable Parliament to consider it before the Council meeting in June. We have already agreed with the German presidency that there will be two research council meetings in the first six months, thus meeting one of the wishes put forward in the resolution. That is already decided and I think it gives us grounds for satisfaction.

A second point: what happened at the Research Council meeting just over a week ago? Two items on the agenda of that meeting related directly to suggestions made in this report. The integration of research into industrial development — here for once we had a pleasant surprise with the Council which is not a common occurrence: not only did the Council support our view, it also wished to strengthen its commitment by going beyond a mere experimental programme and laying the basis for a future programme. That was indeed a pleasant surprise. We shall now see whether the budgetary Council confirms the joint approach of the research ministers by providing the appropriations which we have requested and which the research ministers found appropriate.

Davignon

We also noted a favourable response in the Council to the question of associating the scientific community in the development of our priorities; the Council felt that this experiment should not be confined to one year but extended to enable meaningful conclusions to be drawn: this was a second pleasant surprise.

Discussions on the Super-Sara project, which was the third item on the agenda, turned out very much as we had expected: several delegations would have preferred the Super-Sara project to be suspended in view of the arguments put forward. That decision was not taken and the Council is to reach a decision by the end of November. If the decision is not taken on the agreed basis, the Commission will withdraw its proposal. Although we have some slight budgetary problems in providing the appropriations needed in 1982 and 1983, following the votes by Parliament in its budgetary debate, we have found a way of solving this problem through transfers of appropriations. This point is still open and rests with the Council.

Mr President, I shall now deal very briefly with the observations addressed to the Commission in the report. In general they correspond to the Commission's desire to ensure that research policy is not a mere appendage to Community activities. While we agree on the procedure, on the need for mobility of personnel and on all similar issues, we obviously expect Parliament to accept the consequences of a number of points which figure in this document. To put it bluntly: you cannot advocate mobility of personnel and then fail to vote the appropriations needed to make it possible; you cannot ask for staff to be rejuvenated and for their situation to be improved unless at the same time you approve the appropriations needed for this purpose. The Commission would like to see the logical consequences drawn from these options.

We agree on the need for proper information and for procedures for the evaluation of our various policies. I have already explained how we propose to set about this. And when we present proposals to the Council we agree to the definition of the time schedule which will avoid the ridiculous situation to which Mr Adam referred just now when the best project becomes a poor project if it is not followed by real action. If a good project is only discussed three years later it may then be inappropriate because circumstances will have changed. Rapid decisions are essential for successful Community policies. How can you expect us to explain to the Member States the need for urgent action in a Community context if the countries concerned do not know whether there will be any relevant policy for two or three years. It is politically absurd to try to pursue a set of Community actions if we must all then wait for a very long time because we do not know what is going to happen. This is not a mere procedural point but a vital consideration; the consultative and management committees which have been set up must play their part without becoming permanent veto bod-

ies during discussions in the Council. It is quite clear that the best assistance will come from committees appointed by the Commission and not from representatives of the Member States who seek permanently to interfere.

On the financial aspect, I wish to make it clear that the set targets can only be attained if our resources are increased. It is no use saying that an objective is essential unless the corresponding appropriations are made available. But it is also clear, as Mr Eisma has pointed out, that this implies a transfer of resources from the Member States to the Community. It is not simply a matter of maintaining national policies at their present level with an increase in the Community budget. That is not our aim. We are seeking a transfer and better expenditure at both Community and national level — better because it will be more effective, more reliable and give more effective results.

Mr President, the only point on which we do not entirely agree with Parliament is the following: we are not convinced of the need to amend the Treaty to achieve these aims. If the Council is allowed to believe that amendments to the Treaty are necessary to enable the objectives in the areas of science and research to be attained, we will be allowing the Council, aware of the long procedures involved, to hide behind a need which is political rather than juridical and to refrain from taking essential decisions. Since the Council showed an unexpected willingness to act last week I think it is preferable to encourage it to take more dynamic measures instead of falling back on sterile juridical and administrative discussion.

(Applause)

President. — The debate is closed.

The vote will take place at the next voting time.

I call the rapporteur.

Mr Linkohr, rapporteur. — *(DE)* Would it not be more reasonable to wait until tomorrow, when we will have all the amendments, before voting on the report?

President. — Mr Linkohr, we shall have to wait and see how many amendments there are. If by lunch time it is found that not all the amendments are in, the vote will be deferred until tomorrow. Can you agree to that?

President. — I call Mr Cousté.

Mr Cousté. — *(FR)* Mr President, could you clarify this procedure: what is the real deadline for tabling amendments? This is essentially a practical problem. I

Cousté

have the impression that if the discussion and vote are taken shortly we shall only be able to table amendments until 2 or 3 p.m. I think you should give an immediate ruling on this point. Failing that I believe that our procedure will be cumbersome and lacking in clarity.

President. — No more amendments can be tabled since the deadline has passed. But we shall see what amendments have been translated and distributed. If they are not translated and distributed the vote will be deferred and an announcement to this effect will be made before the lunch break.

3. Energy

President. — The next item on the agenda is the report (Doc. 1-671/82) by Mr Petersen, drawn up on behalf of the Committee on Energy and Research, on

the report by the Commission of the European Communities on the application of Regulations (EEC) Nos 1302/78 and 1303/78 on the granting of financial support for projects to exploit alternative energy sources and for demonstration projects in the field of energy saving (Doc. 1-980/81 — COM(81) 397 final) and

the motion for a resolution tabled by Mr Seligman and others on the energy policy of the European Community in respect of renewable and new sources of energy (Doc. 1-671/82).

I call the rapporteur.

Mr Petersen, rapporteur. — (DA) Mr President, I shall not present the purely formal and technical side of my report, since Parliament already dealt in October, in conjunction with the Normanton report, with progress in the activities described in my report, which are covered by Council Regulations Nos 1302 and 378.

Suffice it to say that the Commission's progress report on energy saving and alternative energy sources shows particularly positive results in this field. This is something the Committee on Energy and Research entirely agrees with. The Committee on Energy and Research is also agreed that a vigorous effort in this area will eminently serve the Community's energy policy objectives in relation, on the one hand, to reducing dependence on oil and, on the other hand, to severing the link between economic growth and energy consumption.

The Committee is also in agreement that energy saving and the encouragement of renewable forms of energy are highly expedient instruments, as point 4 of the proposed resolution says, not only in connection with the energy crisis but also in connection with the general economic crisis, because energy saving measures

and renewable forms of energy have a combined economic, ecological, social and employment effect. It can be said therefore that expansion in this field will take the form of multidimensional growth — i.e. growth in several crucial areas simultaneously — and not merely unidimensional growth, such as we experienced in the happy 1960s. In short, energy saving and renewable forms of energy point to the future and hence indicate one of the ways out of the crisis.

This is also emphasized by the Committee on Energy and Research which, in point 5 of its unanimously adopted resolution text, stresses that, if the crisis is to be surmounted, it is vital that there be a change in the strategic factors which decide economic growth and that renewable forms of energy and energy saving measures clearly belong to the group of such strategic factors.

The discussion of renewable forms of energy is thus raised to a general economic level. The renewable forms of energy are not just a question of 'green' politics, they are a question of real economics, which will help to bring the Community out of the crisis. Also because the development of a renewable energy culture, with its associated domestic market, will open up considerable scope for exports and my also take on fundamental significance for the Community's development aid activities, as Mr Seligman points out in his motion for a resolution on this question.

Finally the Committee on Energy and Research is unanimous in feeling that the Council of Ministers is much too reticent with regard to appropriations for this field and in considering that the Commission should draw up a new and comprehensive integrated programme for renewable forms of energy and for energy saving measures, not just the programme which already exists for 1983-87, but a comprehensive programme based on massive investment. It is not spelled out by the Committee, but my personal feeling is that massive investment should mean investment in billions, not millions of ECU. It is therefore time for the Commission to think big in this area instead of relegating renewable forms of energy to the petty cash department and thinking of them as something which can only have a marginal effect on the Community's energy consumption. Renewable forms of energy have a great deal to do with overcoming the crisis, and I have presented in my explanatory statement to the proposed resolution a number of considerations with regard to the concept of crisis. What is a crisis? It is there to be used, to be used for qualitative growth, and I urge the Commission to study these reflections on crisis, so that it can present some solid and well thought out proposals to the Council of Ministers. The Council might then react along more effective lines.

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

Mrs Walz. — Mr President, ladies and gentlemen, the Committee on Energy and Research unanimously approved the interesting and far-sighted report drawn up by Mr Petersen. My group similarly supports the motion for a resolution.

However, this is not to say that we endorse the theory advanced by the rapporteur that the use of alternative sources of energy will be the decisive step towards qualitative growth and indeed a new and more human way of life. In view of the actual chances of the alternative energy sources being introduced — and a factor which must not be overlooked in this context is the ratio of costs to benefits — we regard this as utopian. But we agree with the rapporteur that the alternative energies — solar energy, biomass, geothermal energy and hydro power — may have a major role to play particularly in developing countries if, after analysing the energy situation in each country, the industrialized countries make the necessary know-how and adapted technologies available.

All the experts forecast that the amount of energy derived from alternative sources in the year 2000 will be very modest. The latest analysis by the International Energy Agency refers to an energy supply structure in which, subject to sound economic growth, oil will account for 26% of the total, natural gas for 18.8%, coal for 34.2%, nuclear power for 11.9% and others — in other words, the alternative sources plus hydro power — for 9%. This in itself implies enormous efforts financially and also in the field of research.

It is therefore a great pity that the Council of Ministers was unable to decide to double budgetary resources for alternative energy sources, although it may be possible to reach a compromise. The Commission still has to demonstrate that the proposed 3% reduction of interest on investments in energy conservation is the final peal of wisdom. But on the whole it is true that far more encouragement should be given to the alternative energies than in the past, especially in view of the prediction that oil prices will rise again in 1985.

President. — I call the Communist and Allies Group.

Mr Kyrkos. — (GR) Mr President, I asked to speak so that I might congratulate the rapporteur on his proposals concerning the development of alternative sources of energy. In Thessaloniki, the second-greatest city in our country, there recently took place, on 20-22 October, a conference on this subject that brought together 400 scientists from all over the country and that proved the great potential existing in my country as well. I would like to quote a specific example. The island of Milos is an island that has up to now based its development on the mining and processing of industrial minerals, but it is also a significant geothermal area and the development of geothermal heat can

supply a complex of electrical and non-electrical application: generation of electricity, production of water for the water supply and for irrigation by the desalination of sea water, the development of hothouses, the farming of warm-water fish, domestic heating and others. The electrical energy so produced will also be able to supply the neighbouring islands, and Milos is only one of the many geothermal areas in Greece. A good international example of the development of geothermal heat was recently provided by the common geothermal programme of ENEL and INDENI in Italy, in collaboration with the labour organizations and the local government authorities in the Amiata region.

Mr President, I would like to conclude with the proposal that the Community should encourage not only the relevant research but also the specific programmes for developing geothermal, solar and aeolian energy in Greece as well, where there are both objective potentials and a wealth of human scientific resources. Precisely for this reason I hope you will not think me chauvinistic in proposing that corresponding European research institutes should be founded in my country too, and this would also be consistent with the principle of decentralizing scientific knowledge and technology.

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

Mr Nyborg. — (DA) The forms of energy on which emphasis has been laid up to now as substitutes for oil all suffer from the regrettable defect that, like oil, reserves of them are limited — unlike the renewable sources of energy, such as solar energy, wind power, water power, etc.

I therefore think, along with the rapporteur, that a considerable effort of research and development is necessary and that considerable resources also need to be set aside for this purpose. Whether we have to think in terms of the order of magnitude proposed by Mr Petersen, I am not enough of an expert to judge, but I hope that the Commission is in a position to do so. I also know that the Committee on Energy and Research has much expertise in this field, not least in the person of Mrs Walz, who has just spoken. But I think I detect in Mr Petersen's way of putting things the political experience of one who is obliged to demand infinitely large amounts in order to receive only a little, so it is understandable if he pumps the figure up a bit.

In Denmark we have had good results with windmills used for the generation of electricity. One of the requirements for the economic production of electricity using a windmill is that it should be possible to sell any surplus production to an existing power station during periods of high wind and to buy electricity during periods when there is no wind.

Nyborg

I understand that there are certain countries in the Community in which that cannot be done, and that is very regrettable. There are countries which have a certain form of electricity monopoly, and we very much hope that such arrangements can be discontinued, so that this source of energy can be used to its fullest potential.

The development of new sources of energy should be encouraged, in my opinion, even if at present they seem to be of very secondary significance, for history has many times shown that something which at first was considered to be of no importance proved in time and with further research to be of very great significance after all.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) Mr President, the report by Mr Petersen is extremely clear and precise; the various speeches made in support of the need for resolute Community action in this area and the vote taken at our last part-session — of which Mr Petersen reminded you — on the Normanton report on new proposals for pilot projects, clearly demonstrate the agreement which exists between Parliament and the Commission on the fundamental objectives.

I should like to make two further observations. Firstly, Parliament will have to make its own choices when it comes to the final approval of the budget. Clearly we shall not obtain all the appropriations requested by the Commission from the Council for pilot projects and we shall probably not even get all the amounts reinstated by Parliament in the budget even though these were lower than the appropriations requested by the Commission. Parliament will therefore be faced with a real problem when there is a disparity between the amounts advocated by it and its margin of manoeuvre; how will it choose between the different subjects? If the practice of previous years is repeated the choice will be made in favour of the more important appropriations at the expense of those which are felt to be less important. Let me explain myself: the final choice tends to go to the Regional and Social Funds rather than to actions of the kind we are discussing now. I hope that the vote taken by Parliament on the Petersen report will induce it to consider, when this matter is discussed again in December following the budgetary Council meeting next week, how the problem can be solved. After all there is little point in the Commission submitting ambitious reports if it is not given the resources needed to implement them.

Secondly, I have noted the various observations on the ideas for the development of further programmes. On the juridical basis which will be provided by the two new regulations, we made very substantial progress with the Energy Council last week especially in respect

of the management and content of these regulations. We were able to arrive at solutions meeting our wishes. We shall use them in applying these programmes and we shall thus obtain a pilot programme in line with the real needs. But without the necessary funds there can be no effective programme.

I should of course repeat that we shall continue our systematic evaluation of the pilot programmes because since the document on which Mr Petersen is commenting, i.e. the first report, we have also submitted a second paper evaluating the programmes. However, I am most grateful to Mr Petersen for his work on this matter.

President. — Further to my remarks on the Linkohr report I can now state that all amendments will be translated and distributed before lunch.

The debate is closed.

The vote will take place at the next voting time.

4. Metrology

President. — The next item on the agenda is the report (Doc. 1-799/82) by Mr Schmid, drawn up on behalf of the Committee on Energy and Research, on

the proposal from the Commission of the European Communities to the Council (Doc. 1-522/82 — COM(82) 362 final) for a decision for a five-year research and development programme in the field of applied metrology and reference materials — non-nuclear indirect action (1983/1987) (Doc. 1-799/82).

I call the rapporteur.

Mr Schmid, rapporteur. — (DE) Mr President, ladies and gentlemen, the research programme we are now about to discuss is a typical example of action required of the European Community.

What are we talking about? In any market in the world three factors are all-important: price, quantity and quality. Buying apples is easy: you can count them and you can gauge their quality by looking at them. The modern industrial world is so complicated that the goods in which we trade cannot be assessed simply by looking at them: they have to be measured.

Let me give you an example. Every year millions of cubic metres of natural gas pass through the gas pipelines that have been laid in the European Community. Slight variations in the measuring instruments result in immense economic gains or losses. There is consequently a definite economic interest in the accuracy of

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measurements. Another example: our copper industry purchases highly purified copper cathodes from third countries. Their price is determined by the degree of impurity, and the impurities account for only one or two millions of the total weight. Here again, there is a need for very careful and accurate measurements, which are not easy.

At present, they are carried out by the calibration institutes in the Member States of the European Community, but as the results differ in some cases, coordination is now important. Otherwise, we run the risk of technical non-tariff barriers arising in trade even among the Member States. As this is all so obvious, the Committee on Energy and Research has decided unanimously to approve this programme. There can be no doubt that it is needed.

Mr Davignon said this morning that resolutions should be short and convincing. The rapporteur has tried to submit a short report, and I hope, Mr Commissioner, that it is so convincing that you will find it possible to agree to the amendments we propose, because we cannot accept everything in the Council decision.

Firstly, we want the monitoring of the results of the research programme to be transferred from the Commission to independent experts who do not receive any funds from the programme, because it is sheer nonsense to expect Commission officials to monitor themselves. Every one of them would decide that he had done his job well. My understanding is that the Commission agrees with this. Mr Commissioner, this is the second time Parliament has had to call for an amendment of this kind. I would urge you to instruct your officials to take account of this in future research programmes as a matter of course. If you share our views, you will be saving time and money.

Secondly, the committee felt the principle that the results of the programme are the property of the European Community and may be sold should be clearly stated in the Council decision. As there has been a misunderstanding over the German text, I should mention at this stage that the French version is the authentic one.

Thirdly, the Commission is asking for a total of 20 posts. I have two comments to make on this. First, a Council decision is not really the place for imposing limits on resources and posts, because we of this Parliament consider that to be our own fundamental right. But as the Council has insisted, reference has been made to this aspect in the proposed Council decision. This being the case, we want a say in the matter, and we are unable, Mr Commissioner, to agree to a total of 20 posts without any further details. You should at least state how many A, B and C posts are needed. We have therefore requested that this be accurately defined.

Second, you are asking for too many posts. It is true to say that the funds involved in this new programme have in effect doubled and that the assistance hitherto provided by the staff in Ispra will no longer be available in the future. I therefore appreciate that the staff complement must be increased. But a careful calculation reveals that you do not need so many posts. Nor was I convinced by the information your officials sent me two days ago, Mr Davignon. For example, against one A post for a head of division you simply put the duties of a head of division. I just do not understand this: he should do something else as well. You shake your head. Perhaps you can quietly explain to me afterwards why your heads of division do no work apart from heading divisions.

We also find that some of these people are administering three to four million units of account, others only a million. Combine posts and you will save the second A post. We want to save just two A posts and the corresponding secretaries' posts.

I take the precaution of warning that, if the Commission does not agree to this, I shall take advantage of my right under Rule 36 when we come to the vote.

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

Mr K. Fuchs. — (*DE*) Mr President, ladies and gentlemen, I should first like to congratulate Mr Schmid on the brevity of his report, which I could not match. The report nevertheless expresses Parliament's political will clearly and unambiguously. Above all, he has avoided repeating in his report the very good explanatory memorandum the Commission has included in its proposal. That would have been duplication of effort, which must be avoided at all costs.

I would also recommend anyone who thinks a customs union is enough to read this explanatory memorandum. It makes it clear that, if the common market is to function really well, other requirements must be satisfied. It must, for example, be known what a given quantity really is and what its quality is.

This programme is extremely important to trade, to genuine competition and to the environment. This is rightly emphasized by the Committee on the Environment, Public Health and Consumer Protection in its opinion. The programme therefore deserves the support which it has from the European People's Party.

We insist that the figures in Article 2 to which Mr Schmid has referred should be no more than indicative. I feel, however, that there is a slight inconsistency in our entering actual figures. It might be concluded from this that we are anticipating the budgetary procedure or even conciliation at a later date. That should be made clear once and for all.

Fuchs

Secondly, as is now clear from the corrigendum, I welcome the suggestion that general scientific results should be published as usual, but that any undertaking wanting specific reference material for its own production process, for example, must pay for it. That is correct, and I believe we can endorse this.

I do have one request, however. The Commission should phrase the conditions so that small and medium-sized firms are also allowed access, because they are often the ones who lead the field and in many cases have competitive disadvantages to contend with.

President. — I call the European Democratic Group.

Mr de Ferranti. — Mr President, the effective working of a common market absolutely requires standards. Napoleon did a very good job with the metre, and I hope that the more democratic institutions which are considering this matter will be doing an equally good job with the standards that are being evolved by the organization we are looking at this morning.

The working group on technical barriers to trade had the opportunity to look at this in some detail. The impression we formed was that if the work was as good as it was claimed to be then it was saleable, and what was needed more than anything else was a more commercial attitude by the group: they have done good work; they ought to be able to sell it. They ought to be able to pay for the increased staff they require by increased income from the people who are anxious to use the results of their work.

I think the amendments that Mr Schmid is proposing in his opinion are on the whole helpful and likely to enhance the commercial attitude which this group needs if its work is to continue to succeed.

IN THE CHAIR: MRS CASSANMAGNAGO
CERRETTI

Vice-President

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) Madam President, I want to make two general observations on the most precise report submitted by Mr Schmid after which I shall indicate my position on the three amendments which have been tabled.

I think it important to remember that the activity which we are conducting in the context of this action

on norms and standards concerns 500 offices — this aspect was referred to just now in connection with the report by Mr Linkohr. That in itself shows the role which the Commission can play as a federative body or as a catalyst.

This second point is of interest to everyone because if the Community ceases to play this particular role no one else can replace it. No national centre can take valid action for the Community as a whole. The problems connected with non-tariff barriers and uncertainty as to norms and standards would then become considerable. Those are two further reasons for approving this programme and also explain why the programme is being stepped up considerably: not only because of inflation but also to allow for the scale of its proposed activities in the next five years.

I come now to the three amendments.

The first relates to evaluation. I willingly endorse this amendment and the observations made by Mr Schmidt. I myself lose no opportunity to stress the need for evaluation of all the Community's research programmes. We should reach agreement with Parliament on this point once and for all. If you would like an evaluation of each programme one year before it comes to an end I can agree to your request. Each future programme of the Commission will be evaluated by an independent body at some stage in its implementation. We shall therefore either have an evaluation for each programme or else an evaluation in the outline programme covering a five year period. I personally have no preference and since no provision has been made in the outline programme let us have a specific evaluation of this metrology programme. One last comment: this evaluation report which will be forwarded to Parliament will not be a report drafted specifically for this House but for the entire Community because the Council too is entitled to know the results. It will be an evaluation for the Community forwarded to Parliament. If that is the implication of the last line of your first amendment I have no hesitation in accepting it.

The second amendment relates to the dissemination of information. I share the view that this must be promoted, bearing in mind the commercial aspect in particular. But I would say to Mr de Ferranti that we should avoid any illusion on this score; the money which is brought in will never cover the whole cost of the programme. The United States' bureau of standards does not function on the basis of money recouped in this way although everyone is aware of the importance of this world instrument. We must therefore remain realistic. In this connection I endorse Mr Fuchs's observation who felt that small undertakings should be able to benefit from analysis of this kind which has a mobilizing effect.

My third point is that of the budget. My own views are closer to those of Mr Fuchs than to the ideas set

Davignon

out in the report. Provided that we have an evaluation procedure I believe it normal for the programme to be conducted within the limits of the proposed appropriations, i.e. 34.7 million ECU. When a programme is initiated it is perfectly logical to evaluate the relationship existing between the results of the programme and its cost in order to measure the degree of effectiveness. Since this programme covers a five year period it must be adapted during its lifetime in the light of the evaluation. It has been suggested that three members of staff could be saved: 17 instead of 20. Are we going to open a debate on this subject in plenary sitting? I stand by the figure of 20 because otherwise how will I find the statistician whom I need and the person who will contribute to the dissemination of information requested by Parliament itself? I note Parliament's views but continue to ask for 20 persons. I undertake to provide explanations to the committee responsible and to show why I need 20 persons.

I have tried to answer the question raised by the Committee on Energy and Research in its report and I am grateful to it for supporting this project.

President. — I call Mr de Ferranti.

Mr de Ferranti. — Madam President, could I point out to the House that there is an exhibition of the standards work being done by CEN and CEN Elec. which is in the ground floor of the IPE building at this moment. If any Members here realize how vital it is that standards should be the basis of an effective common market, I would beg them to go and have a look at the exhibition and support the work of these people.

President. — I thank Mr de Ferranti for the information he has provided, of which the Assembly has taken note.

The debate is closed.

The vote will take place at the next voting time.

5. Energy pricing structures

President. — The next item is the report, drawn up on behalf of the Committee on Energy and Research, on a common approach to energy pricing structures (Doc. 1-679/82).

I call the rapporteur.

Mr Gallagher, rapporteur. — Madam President, I realize fully that my report is rather pessimistic and frankly, since being given the rapporteurship, I have not changed my opinion, nor does it appear that most

of my colleagues on the Committee on Energy and Research or, in fact, of the Parliament have changed theirs either, judging by the small number of amendments submitted to it. For we are being asked to produce an energy pricing system at a time when we have no common energy policy, no common industrial policy, no common social policy and no common economic policy. I find that to be very regrettable and, given this situation, how can we be asked at this time to draw up a common approach to energy pricing structures when this particular situation obtains?

And this is three and a half years after direct elections to the European Parliament.

I would be the first to admit that there ought to be an energy pricing system, and a common one at that, if we are to establish ourselves as a community. But the differing price structures, which reflect the different policies in the Member States, militate against this.

And there is another problem. Is the Community really worried about differing pricing structures? From some statements that I have heard in this House on other topics I have come to the conclusion that the answer is no. But when one Member State or another subsidizes certain industries, whether it be towards energy costs or whatever, to give them an unfair advantage, then we shout about unfair competition and that something ought to be done about it, etc. Now this especially happens when we are trying to open up a market in a certain product, or when a nation is forced to reduce its share of a market, leading to social, economic and all sorts of other problems or when, in fact, a free market does not function in the way that certain individual nations hoped that it would. Then we speak about natural advantages, about cheap labour, about artificially low energy prices, unfair subsidies and we have all the resolutions which we put down in this House.

Now I realize that there are massive amounts of statistics in the report but they are necessary in order to show what the situation actually is at the moment. They also show why energy prices vary and, more important, they demonstrate how difficult it will be to reach a common energy pricing system in the Community given the situation that we are in. Because at the present time the energy pricing policies are used by the Member States as instruments for industrial, employment, regional, transport and even financial policies, especially in the present recession, the situation in this area is getting worse and worse every day. Therefore I have all the sympathy in the world with the people who have put down resolutions about these unfair practices and I happen to agree with everything they have written in them.

However, energy pricing policy is now being used to try to solve the problems of certain nations in the short term and I believe that that is a great mistake given the present economic recession. I do not think that will

Gallagher

always be the case and I do not think that we are making any great attempt — certainly not in the Member States — by cooperation to produce a different situation from the one we have. As I stated earlier, the report may well be pessimistic and it cannot be otherwise, given the facts of the matter. However, I think that it is much more important to bring a factual report before the House rather than make ideological statements which cannot in fact be implemented, and there I would leave my report.

President. — I call the Socialist Group.

Mr Adam. — Madam President, I have only a few moments to speak on behalf of the Socialist Group to this report. The original resolution, of course, has been somewhat overtaken by the subsequent actions of the Commission and the Council and I think that we have got to look on this report as a further exhortation to those bodies to deal much more speedily with the problem of energy pricing structures.

Energy prices, of course, are the major factor in determining industrial and social well-being as well as in gaining competitive advantage and Member States' governments have an interest in trying to maintain low prices, particularly in strategic industries. They have a problem in trying to raise prices to ensure adequate investment and to bring in new alternative sources of energy so there is a conflict with government, a conflict in the arrangements of the suppliers, the carriers and the consumers, all within the context of widely differing resource bases, and this has led to a position where prices paid for energy differ more widely than is justified. Of course, the resulting accusations of unfair competition are very difficult to substantiate as the factors determining energy prices vary widely.

I think the rapporteur is quite rightly pessimistic about obtaining greater uniformity but he does distinguish between prices and the structure and a more uniform structure would yield the benefit of transparency, assist consumer choice and promote the rational use of energy. We shall support the report. I have not been able to study the amendments in great detail. Amendment No 1 by Mr Moreland seems to me to add to the text. The other amendments I do not think add anything to the text at all and we probably will vote against them.

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

Mr Protopapadakis. — (GR) Madam President, the definition of energy prices on the sole basis of technical cost is a concept that agrees with the general principles of a free economy in which we believe and on which our Community is founded. However, it is a notion that cannot be realized, and for that reason the

European People's Party thinks it fruitless to strive in that direction and consequently supports Mr Gallagher's proposal. The reasons why the notion we are debating cannot be realized are, in my opinion, mainly two.

The first is that the system in force today for fixing energy prices has created a whole series of conditions within the national economies of each Member State in the Community, and in the social and developmental activities of the States. If we try to change this system we shall produce very great disturbances in all these sectors. In any case, progress in these matters would require the approval of the national parliaments.

The second reason is that technically we cannot rely on accountancy alone to estimate what cost corresponds to each consumer taken separately. The installations that produce energy or fuels and convey them to the consumer do not offer just economic, but also social and developmental benefits to the social group that they serve. Thus, accountants who try to calculate what cost corresponds to each consumer are mistaken in that they ignore other important factors.

President. — I call the European Democratic Group.

Mr Moreland. — Madam President, first of all I congratulate the rapporteur on his report. As he will know, anybody who learns his economics at Nottingham University could not produce a bad report on pricing. However, I don't quite share his pessimism or the pessimism of the other speakers. In fact, I would suggest to him and to the other speakers that they have not entirely taken into account the progress that has been made in the last couple of years and the whole question of energy pricing.

Energy pricing is obviously particularly important to many industries, for example, steel where it is 25% of costs. If you have a different pricing structure in the different Member States, this can have an effect on the competitive position of the industry. Therefore, it is something that we must look at to make sure that in energy pricing there is some reflection of costs and world market position. So I would suggest that we ought to be slightly less gloomy than the rapporteur on this particular matter.

It is highly important that we have more transparency in this field. I think that there is considerable concern in the Community about special deals on pricing, special contracts and so on and so forth, for certain companies and certain industries. At least we should be able to see these publicly, particularly when there are instances — and obviously the whole question of the assistance to the glasshouses in Holland was one of them — where there is a need for the Community to step in and say: you can't quite do that, that is damaging other industries in the Community.

Moreland

So, in general, Madam President, I welcome this report, but I would suggest that paragraph 4 could be a little bit more optimistic than it is at present, because there is a need here for movement. I think we actually should have some words of praise for both the Commission and the Council for steps that have been taken. In the last 18 months we have seen at least the proposed recommendation on electricity prices go through. We now have the proposal before us on gas prices. Now I think that this should at least lay down some framework for movement in the future. So I would hope that the Parliament would support the Gallagher report but be slightly more optimistic than Mr Gallagher. I think we all recognize the difficulties, but there are ways ahead here that we can follow.

President. — I call Mr Protopapadakis.

Mr Protopapadakis. — (GR) Madam President, it has just come to my attention that the German interpretation service made a slip in translating what I said a few minutes ago, and I therefore ask permission to repeat the sentence so that I can be sure it has been correctly rendered. I said that whereas we agree with the principle put forward by Mr Moreland, it cannot in fact be realized and therefore that we agree with the proposed resolution of Mr Gallagher.

President. — I call the Communist and Allies Group.

Mr Veronesi. — (IT) Madam President, this question was given lengthy consideration in the Committee on Research, and the Committee on Economic and Monetary Affairs also discussed it exhaustively. The efforts made by the Commission to understand and regulate this sector were considerable.

The long road traveled by this report implicitly underlines the difficulties intrinsic to the solution of this problem. Mr Gallagher's accurate and painstaking report attempted to connect each argument with objective data. I much appreciated the effort and the discipline with which the rapporteur dealt with this question. The text makes it clear that this report had to deal with a complex reality with widely differing economic, social, and political implications: a veritable labyrinth where it is easy to lose one's way and from which, at the moment, not even the wings of Daedalus could rescue us.

Personally, I thank Mr Gallagher: his task was a very difficult one. To continue the mythological metaphor, I believe it can be said that his were the trials of Sisyphus.

This is why we share the pessimism of Mr Gallagher's report. We all wish to take the opportunity offered by this debate to state our willingness to study the ques-

tion further. It does not seem to us, at least at this point, that we have obtained satisfactory results.

For this reason, we will not vote in favour of the resolution: we will abstain.

President. — I call the Liberal and Democratic Group.

Mr Pintat. — (FR) The present high price of oil is not the essential cause of the imbalance in the world economy. In reality the present level is desirable if we wish to promote the development of energy sources capable of taking over from the readily accessible fossile fuel deposits from which we have had the good fortune to obtain our supplies since the beginning of the century. The imbalance has been brought about by the sudden and sharp nature of the price increase.

Moreover, the fiscal and financial arrangements applicable to the various sources of energy in the consumer countries vary widely and are drawn up more in the light of the budgetary needs of the countries concerned than of the true market situation. In the United States the direct tax on consumption represents less than 10% of the ultimate price of all oil products while the equivalent figure is 40% in many European countries. This disparity which can be observed in both the producer and consumer countries, results in prices which are out of all proportion to the true cost of energy. We should therefore outlaw as far as possible taxes or subsidies on energy products which distort the market.

Of course the necessary theoretical research costs a great deal of money and must be financed as far as possible at European level to share to cost, but if we wish to solve the tragic problem of the 30 million unemployed in Europe to which reference was made just now we must obtain abundant supplies of cheap energy as far as this is feasible. New forms of energy are expensive and create only a limited number of jobs. Abundant supplies of cheap energy today are the only way of promoting industry which will create jobs for tomorrow.

Unlike our rapporteur, I believe that the price of energy products may differ from country to country depending on the particular national circumstances. Examples are North Sea oil in Great Britain, gas in The Netherlands, nuclear electricity in France, etc.

However, the most serious problem is that of the enormous investments needed to control this energy. We sometimes hear references to the need for a Marshall Plan for energy. It would have to be a Super Marshall Plan because the sums needed to balance the payments of the oil importing countries are ten times larger than those brought into play by the Marshall Plan over a five year period. There is therefore a problem of international solidarity which exceeds the capability of any single country.

Pintat

In short, the resources of all the countries of the world will provide the only possible basis for financing an effort of this kind and the level of contributions will be at least as high as that imposed on America to finance the Marshall Plan 30 years ago.

We in the Liberal Group believe that this policy for financing energy supplies must be based on loans and not on a surtax which distorts the price of energy. However, a retrospective review of the efforts made by the Commission to establish the structure for a common energy policy is not particularly encouraging. It is high time for the Member States of the Community to realize, as the OPEC countries already have, that at a time when the principal problems are external to our individual countries and can no longer be decided at national level, their joint interests must take precedence no matter how serious may be their divisions based on specific domestic interests.

President. — I call Mr Alavanos.

Mr Alavanos. — (GR) Madam President, for our part we feel a sense of optimism about the rapporteur's pessimism and about the fact that his report is certainly more conciliatory and moderate than the original resolution. Nevertheless, we cannot avoid expressing our concern about what is said in this report too, concerning the improvement of the regulations on competition and the trend towards a uniform organization of prices. Our country has suffered grave penalties due to interventions in its energy policy and in the pricing sector. I shall give two characteristic examples: First, the recent intervention of the EEC demanding the abolition of subsidies for the price of electric power supplies to farmers, a thing that will have important negative consequences for Greek farmers. Secondly, the pressures exerted by powerful Western European circles to prevent the abolition of the scandalous privileges enjoyed by the French, now nationalized, industrial concern Pechiney, which consumes a large part of the electric power generated in Greece at greatly reduced prices. For this reason, we think that one of the most important things for our country would be the formulation of an independent energy policy as well, which of course would be based on collaboration with other countries too, not just with the EEC countries but with the Arab countries and with our neighbouring socialist countries, where there are very broad potentials for collaboration in the energy sector.

A final comment: we think it very significant that the report was based on figures mainly from Britain and the other eight Member States of the EEC, and that Greece is ignored entirely. We fear that this is not just a technical omission because no statistics were available at the time. I believe that statistics could indeed have been found from Greece, and I think that this shows a general attitude, a general understanding that our treatment in such basic, vital matters should be

based mainly on the needs, figures, etc. pertaining to the large countries.

For these reasons the European members of the Communist Party of Greece will abstain from voting on the Gallagher report, notwithstanding the positive features we find in it.

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — (FR) As all the speakers have pointed out, this is an extremely important and complex matter.

I think we must start by dispelling an ambiguity. Nobody has proposed or envisaged a uniform price situation in the Community. That would be contrary to the present reality. I say this because I am struck not so much by what I have heard today in Parliament as by what has sometimes been written to the effect that the Commission is intending to set up a uniform price system in the Community: one price for electricity, no matter how it is generated, one price for gas, regardless of its origin, and so forth. Obviously that is not our intention. What then are we trying to do? We are trying to create an awareness among the Member States of the need to base prices on market costs and conditions, in other words to have realistic prices, if we are to develop a reasonable energy policy.

What is implied by realistic prices? I have a great deal of sympathy with what Mr Gallagher said just now: we are all in favour of free trade except where our particular interests are at stake. We are all in favour of realistic prices unless a lower price enables a particular industry or activity to be assisted. How then can we strike a balance between the need for realistic prices and provision for a number of other perfectly respectable factors? That is what we are trying to do and I share the view of those speakers who said that the rapporteur was perhaps a little pessimistic. In October we forwarded a rather important document to the Council and Parliament on energy price formation and on trends in Community policy. In it we note a degree of convergence between the Member States.

I would like to say quite frankly to Mr Alavanos that he is wrong when he claims there are political reasons for the absence of statistics relating to Greece. I say that to him in a spirit of cordiality. There is no reason why the Commission should not attach the same importance to all Member States, especially those which are heavily dependent on the evolution of the energy situation. We are following the efforts being made in Greece with close attention; I was speaking to the Energy Minister only five days ago and he spoke of the need to reduce the dependence on oil which is altogether excessive at present.

We are accordingly not so pessimistic because we are in the process of defining the principles which will

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enable us to apply the realistic price system that we need if we are to pursue a meaningful energy policy. If the Member States which invest heavily to obtain cheaper electricity find that their counterparts which have made no such investments grant subsidies and thus distort the competitive situation, we shall never have an energy policy.

It is therefore important to continue our work and to reflect on the structure of prices. What factors come into play in determining a price? In this context, as we pointed out in our October document, it will obviously be necessary to give closer attention to the problems of taxation because taxes on energy vary widely from one country to another. In this connection we agree with Mr Moreland who stressed this point: under the Treaty the Commission has an obligation to require a measure of transparency for energy prices to avoid any distortion of competition. He quotes one example and there are others. They will be found in the document of 18 October and the Commission will continue to take steps against distortions of competition. However the real needs extend beyond the notion of competition. We must define our objectives more effectively and, in that way, bring about price convergence in the Community.

In 1983 we shall be completing individual studies of each Member State to determine how they apply, at the level of price formation, the principles which the Commission has proposed to the Council and which the latter has approved.

We note therefore that the problem is complex and that we need a framework for further progress as Mr Gallagher pointed out just now; thirdly, our discussions with the Member States show a greater awareness of the needs today and progress is being made although much remains to be done. The ultimate objective is not a uniform price but convergence of the Member States's price formation policies. I welcome the fact that the Commission and the report tabled by Mr Gallagher on behalf of the Committee on Energy and Research agree on this point.

President. — I declare the debate closed.

The vote will take place at the next voting time.

6. Budgetary control

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

- Report by Mr Edward Kellett-Bowman, on behalf of the Committee on Budgetary Control, on the budgetary control aspects of the Joint Research Centre establishment at Ispra (Doc. 1-666/82)

- Report by Mr Gabert, on behalf of the Committee on Budgetary Control, on the ECSC discharge for 1980 (Doc. 1-834/82) on the report of the Court of Auditors on the financial statements of the ECSC at 31 December 1980 and the discharge to be granted to the Commission of the European Communities in respect of the ECSC accounts for the financial year 1980
- Report by Mr Irmer, on behalf of the Committee on Budgetary Control, on the action taken on the discharge decisions for 1979 (Doc. 1-761/82)
- Report by Mr Wettig, on behalf of the Committee on Budgetary Control, on the report concerning the Guarantee Section of the EAGGF, cereals sector, drawn up by the Special Committee of Inquiry of the Commission of the European Communities (COM(79) 686 final) (Doc. 1-954/80/rev)
- Report by Mr Wettig, on behalf of the Committee on Budgetary Control, on the budgetary costs of the common agricultural policy in the cereals sector and the factors which may influence these costs (Doc. 1-680/82).

I call the rapporteurs.

Mr Edward Kellett-Bowman, rapporteur. — Madam President, in the sphere of technology and research, Community activity falls under three main headings. To mention the delegated item first, certain research activities carried out by laboratories and by universities of the Member States are coordinated. However, only the cost of coordinating this work is financed by the European Community in these cases. Secondly, there are indirect activities which are carried out by research workers in laboratories and in universities in the Member States. These indirect activities are financed only in part by the Community. The direct research activities, which are carried out at the JRC, are financed in full by the European Community. The JRC has four establishments. These are at Ispra, Geel, Karlsruhe and Petten. This report deals with aspects of control of Community expenditure that concern the research establishment at Ispra.

In its consideration of Ispra, the Committee on Budgetary Control was concerned primarily with the aspects of cost-effectiveness, regularity and efficiency. In drawing up this report, my committee did not intrude on the responsibilities of the Committee on Energy and Research, which is better placed to assess the technological aspects of the work of the JRC.

On 18 June 1981 this House adopted a resolution from the committee dealing with the JRC establishment at Ispra. Concern was expressed over a number of points relating to the inventory, disposable move-

Kellett-Bowman

able property and the faulty financial management at the establishment, which allowed a large number of transfers to alter the initial estimates. Parliament was also concerned about the need for better management information, for improved mobility, the need to introduce effective cost-benefit and analysis techniques and the desirability of strengthening the site security. This House condemned the way in which the administrative building was constructed despite the specific refusal of budgetary authority approval for it in the 1979 financial year. Last year's resolution also asked that the justification for the vehicle fleet of 180 units at Ispra be examined.

A delegation from Parliament visited Ispra on 10 and 11 June this year. Both the Committee on Budgetary Control and the Committee on Energy and Research were represented in the delegation. They found that full satisfaction had been obtained in regard to several of the issues that preoccupied Parliament in the resolution adopted in 1981. However, in a limited number of cases, further progress is required.

As for the inventory, the disposal of moveable property and the provision of an adequate flow of management information, the delegation found that Parliament's wishes had been responded to in full by the management. In the past, Parliament was astonished at the way in which the management of the JRC had had recourse to very large numbers of transfers, to such an extent that the wishes of Parliament, as reflected in the budget as adopted, were not carried out in the actual implementation of that budget. The delegation from Parliament which visited Ispra this year was disturbed to learn that the canteen at Ispra had been extended significantly, at a cost of 330 000 ECU, without prior budgetary approval and without recourse to the calls for tender procedure. The Committee on Budgetary Control has since received assurances that there will not be a repetition of this improper procedure.

Considerable importance is attached to securing an adequate degree of staff mobility. This would ensure that the frustrations of dealing with the same kind of problems in the same surroundings for a long period would be avoided. Moreover, researchers would be stimulated and there would be a useful exchange of new ideas. There is little staff mobility within the JRC. Even worse, the management is not optimistic about the increase in staff mobility in the near future and this is very disconcerting.

An important element in gauging the results of investment in the JRC is the analysis techniques applied. Parliament is concerned to ensure that there is value for money; so too are the Commission and the Court of Auditors. If the interests of the Community's taxpayers are to be safeguarded, the results and effectiveness of the centre's operation must be kept in mind constantly. Further, administrative costs must be watched carefully and kept to as low a level as possible.

For a variety of reasons much importance is attached by Parliament to site security, especially in the interests of safety of personnel, security of the installation and good management. Therefore, the committee was disappointed to learn that so far no comprehensive systematic set of checks on a modern monitoring basis has yet been installed.

When Parliament's delegation visited Ispra in November 1980 the justification for a vehicle fleet of 180 units was queried. Now it is gratifying to learn that 39 non-specialized vehicles at Ispra have been withdrawn from circulation. This is reflected in savings in running costs and in fuel consumption which are welcomed. The remaining number of vehicles on the site should now be justified on a case by case basis.

The Committee on Budgetary Control insists that the widest possible recourse to the calls for tender procedure should be had in relation to all supplies and all services at the establishment. Further, there is a need for ensuring that the duty-free stocks of fuel and other supplies at the establishment are fully safeguarded.

As rapporteur, I have expressed the wish to see that the printing and reproduction facilities and the data processing equipment available at Ispra should be coordinated with those of the other institutions so as to ensure maximum efficiency at Community level.

Partly no doubt as a result of pressure from Parliament, a new management team has been installed at Ispra. We in the committee were impressed by the frank and positive attitude of this new management team to the problems they faced. We could also say that the personal interest being taken by Commissioner Davignon in the operation of the JRC is very much appreciated by Members of Parliament who are concerned with these aspects of Community activity.

Ispra has been confronted by uncertainties, Madam President, and I believe that morale would be very much helped if funds could be found to finish the administrative building which is now partly built and in mothballs so to speak and at the same time I think morale would be helped if a proper building could be provided for the professional technical training school now that the committee has approved that it should exist in its present form.

The Energy Council of 4 November expressed some doubts as to the critical financing of the Super-Sara project at Ispra. The Council may be assured, Madam President, that Ispra is now a more efficient establishment and worthy of support. I commend my report to the House.

Mr Irmer, rapporteur. — (DE) Madam President, ladies and gentlemen, since the direct election of this Parliament in 1979, the discharge procedure has developed into an extremely important instrument, which

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Parliament can use for the following purposes: controlling the executive, safeguarding budgetary rights by converting Parliament's budgetary decisions into practical policy, exercising influence over Community policies and the continued development of Community law, and particularly relations between Parliament and the Commission. I should like to take this opportunity to stress that granting the discharge is the only legal act which Parliament can perform entirely on its own responsibility. It may decide on a proposal from the Council, but it alone takes the decision.

The consequence of a refusal to grant the discharge, as we have all known for a very long time, would be the resignation of the Commission.

This year the discharge could not be granted by the appointed time because the majority of the Members of this House felt that a number of conditions should first be satisfied by the Commission. This again reveals the power of the instrument we have in the right to grant or refuse the discharge. Before it is granted, conditions may be stipulated, which the Commission must satisfy. After it has been granted, measures required by Parliament must be taken by the other institutions.

The report now before you deals with this second aspect. Under Article 85 of the Financial Regulation the remarks in the motion for a resolution on the discharge decisions are binding. The Commission must take action. It has submitted a document setting out what action it has taken on the granting of the discharge for the 1979 financial year.

We have not been sparing in our criticism of the Commission, this being particularly true of the 1979 discharge procedure. I will not therefore hesitate to say here and now that we are extremely grateful to the Commission for the new document, which describes the following measures. This reaction can be regarded as almost exemplary. The action taken on Parliament's remarks has been excellent.

Let me illustrate this by reference to a number of points, which must serve as examples because speaking time is limited.

We complained about the infringement of various elementary principles of budgetary procedure, especially the principle of annuality. In this respect the Commission has done a great deal to restore order, and this must be acknowledged without reservation. It is now much better at observing annuality than it used to be. In particular, it has complied with our demand and corrected a mistake concerning the entry of 203.5m ECU from the Guarantee Section of the EAGGF. You will recall that this amount was spent in 1979 without any basis in the budget and then charged to the 1980 budget. This has been corrected in the amendments submitted by the Commission to the account for revenue and expenditure and the balance sheet.

Secondly, there is the question of the legal basis. In past budgets the rate of implementation was unsatisfactory owing to the alleged absence of an additional legal basis. We have always complained about this. The Commission has now come to share our view without reservation. I regret to say, however, that we have been guilty of retreating from the position originally adopted as a result of the joint declaration of 30 June 1982, which goes nowhere near as far as what the Commission had previously agreed to do. I think this is dangerous. The Council has already infringed the joint declaration on at least two occasions. We must reserve the right to revert to the legal basis established jointly with the Commission if the Council does not improve its ways and fails to observe the joint declaration.

My third point concerns the Community's own revenue. The Commission has stated unambiguously that the carrying forward of any surpluses to the next financial year is an essential aspect of the Community's financial autonomy. In view of this statement, we are confident that we shall not have any more rectifying budgets resulting in the repayment of surpluses to the Member States. That would be an attack on the substance of the Community's financial autonomy and so on the substance of the Community itself.

Madam President, I cannot see the clock from here, but I do have a stop-watch in front of me, and with your permission I shall use up a little of the speaking time allocated to my group.

Another point I wish to raise concerns the administration of the Guarantee Section of the EAGGF. We were obliged to voice some considerable criticism in this respect in 1979. The Commission then substantially improved its procedures. This resulted in extensive savings in agricultural trade in 1980 alone, that is to say, less had to be paid in subsidies. To make it quite clear, Parliament takes the credit for this. If I may quote some figures, we cost 500m ECU each year, and the savings in agricultural trade in 1980 alone will therefore pay for the five-year electoral period. That is something the general public should realize.

To conclude, I should like to refer to a problem area: development aid. As you know, we have not succeeded in having the development funds entered in the budget. This must be done, however, because unless the development funds are administered as part of the European Community's general budget, it seems unlikely that a reasonable development policy can be ensured. The errors that have been made with Stabex, which cast doubt on the whole of the Stabex system, are a glaring example of this, and we must insist on the next development fund being included in full in the general budget. As regards the policy on food aid, we also await the proposals announced by Mr Pisani.

On the whole, it can be said that the Commission has reacted extremely positively to our remarks on the

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implementation of the 1979 budget. It is making a great effort. If the Commission continues in this fashion, I have no doubt that cooperation between the Commission and this Parliament will continue to be very fruitful.

Mr Wettig, rapporteur. — (DE) Madam President, ladies and gentlemen, the Committee on Budgetary Control has instructed me to present two reports to you, both concerning the organization of the market in cereals. The report on the report concerning the Guarantee Section of the EAGGF drawn up by the Commission's Special Committee of Inquiry was originally prepared by Mr Dankert. The committee approved it in February 1981. After Mr Dankert's election as President of Parliament I agreed to present the report.

Secondly, I wish to present the report I have drawn up on the budgetary costs of the common agricultural policy and the factors which may influence these costs. The Committee on Budgetary Control approved this report last September.

The 1982 budget includes about 2 000m ECU for the policy on cereals. Expenditure on cereals accounts for 16% of the Guarantee Section of the EAGGF and so takes second place behind dairy products. The costs in absolute terms and the rate of increase are alarming. These costs have more than tripled from 621m EUA in 1975 to over 2 000m ECU today. If arrangements stay as they are, the trend is unlikely to be reversed, because the constant increase in expenditure is entirely a consequence of the production of structural surpluses of common wheat and barley in the Community.

In the early 1960s the EEC was about 77% self-sufficient in cereals. More cereals were produced than consumed for the first time in 1978. Three years later the Community was already 105% self-sufficient in cereals generally, and even before that had been 114% self-sufficient in common wheat and 111% in barley. The gap between production and consumption is tending to grow. Consumption is stagnating and even declining, while production is increasing. The guaranteed prices are as a rule 20 to 30% higher than world market prices. The ever growing surpluses are thus causing increasing expenditure on export refunds, which will cost some 1 300m ECU in 1982. This is equivalent to over 65% of total expenditure on the cereals sector. If we want to reduce expenditure in this sector, we must first tackle the refunds.

In its guidelines the Commission proposes that Community cereals prices should be approximated to those of our main competitors in the world market. This proposal should be fully endorsed, because the smaller the difference between the prices of cereals in the Community and on the world market, the less the Community has to pay in export refunds. Unfortun-

ately, the Commission has been hesitant in following up this proposal. This year's record harvest, granaries that are bursting at the seams and very low world market prices will, it is hoped, persuade the Council to make adjustments.

Considerable resources could also be saved if the Commission would change its export policy. When what quantities of cereals are offered for export is now almost entirely determined by reference to intra-Community data, little thought is given to the current situation on the world market. The result is that Community cereals are principally exported when world market prices are extremely low, which means that the refunds to be paid are high. When world market prices are relatively high, on the other hand, little is exported, although the costs would then be far lower. The report on the costs of the policy on the cereals market we are now considering contains various proposals on incentives to export when world market prices are high.

The Committee on Budgetary Control believes that the Commission must adopt an approach that complies more closely with market trends. 709m ECU, or about 35% of total expenditure on the cereals market, has been earmarked for intervention in 1982. The money will be spent principally on various subsidies and storage costs. For some years the intervention agencies have been increasingly offered low-quality cereals, which have only just met the intervention standards and can therefore only be sold at very low prices.

The most important measure for reducing intervention costs proposed in this report is therefore an improvement of the quality standards applicable to cereals taken into intervention. Where cereals do not satisfy these standards, the obligation to take them into intervention will cease and export refunds will no longer be paid. When the organization of the market in cereals was introduced in 1962, the Community depended on constant imports of cereals. The object of the organization of the market was — and still is — increased production. Many of the regulations relating to the organization of this market which were appropriate when the Community was not self-sufficient are no longer justifiable now that surpluses are being produced. The funds still being devoted to this goal could well be used more appropriately and more effectively in agriculture, and examples of how this could be done are given in the report.

The stream of regulations and the continuing lack of uniformity in the structure and administration of the intervention agencies are causing problems. The services responsible for the organization of the market repeatedly complain of deficiencies, inconsistencies, ambiguities and the absence of a systematic approach in the Community's legislation. This leads to unnecessary administrative expense. Legal proceedings have to be initiated because agreement has not yet been reached on precise, practicable regulations. To quote

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from the plea entered by one market administration agency, the Commission's approach and attitude add to the deficiencies of Community law. Not enough effort is made, obviously, to interpret legal provisions flexibly or in the light of the prevailing situation. Not enough willingness is shown to recognize the spirit of a regulation, rather than its letter.

The activities of the intervention agencies themselves raise problems, however. Only recently the press was again reporting on extensive sales of British cereals to French and German intervention agencies. According to these reports, cereals that had been rejected by British agencies because of poor quality had been bought by French intervention agencies without further ado. Farmers like selling to intervention agencies in the Federal Republic principally because they are the quickest to pay. The different ways in which intervention is handled in the Member States has repeatedly resulted in extensive transfers of cereals between intervention agencies in recent years. The Community has to pay for these transfers.

As you can see from the report of the Special Committee of Inquiry, approval was given for the transfer of 1m tonnes of common wheat and 800 000 tonnes of barley between intervention agencies from 1976 to 1979. Since 1973 the cost to the Community of these movements has been about 100m ECU.

Another sorry chapter has been 'irregularities and fraud'. The Special Committee of Inquiry was set up in 1973 specifically to consider where irregularities occur and how they can be prevented. The report it submitted in late 1979 concerns the organization of the market in cereals. The Committee on Budgetary Control largely agrees with the conclusions drawn. The subsidies paid to producers of cereals are obviously an incentive to those who are not entitled. The transitional compensation paid for cereals not yet in store at the end of the financial year has probably not always ended up in the right pockets.

The Special Committee of Inquiry recommends that the accounts of the farms concerned should be checked more carefully. A closer watch should also be kept on transit transactions around the due date for compensation. Furthermore, the subsidy itself should be considered because its justification when we have surpluses is more than doubtful. It does after all account for 141m ECU of the 1982 budget.

Unclear legislation, difficult application in practice, that is the judgment of the Special Committee of Inquiry on aid to the production of starch. Irregularities seem to be a particularly frequent occurrence in this sector. The Commission wants to put a stop to this subsidy, and we should support it in this respect. In the meantime, an attempt must be made to bring the irregularities under control with the measures proposed by the Special Committee of Inquiry. It is difficult to

justify to the European taxpayer the spending of 135m ECU on subsidies, as in 1982.

Serious problems also arise in connection with the subsidies for durum wheat, which are paid to every producer in areas where durum wheat is traditionally grown. It has proved difficult to find out what area is actually devoted to this crop. Quality controls also leave something to be desired. In its present form, the subsidy is an incentive to produce surpluses. It helps farmers who do not need support and does not give sufficient help to those who really need it. In its guidelines the Commission proposes changes to the durum wheat subsidy, which the Committee on Budgetary Control endorses.

The debate on the possibility of financing the European agricultural market will become even fiercer next year, because the favourable situation on the world market that has made it possible to reduce the agricultural budget is now over. As the report on the cost of the cereals market shows, considerable amounts can be saved or used more effectively as the market is now organized. But it must be organized more flexibly and in a way that complies more closely with market trends. Costs that are rising again must prompt the Commission and Council to take rapid action.

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

IN THE CHAIR: MR NIKOLAOU

Vice-President

7. *Welcome*

President. — Ladies and gentlemen, it is with great pleasure that I welcome a delegation from the Norwegian Parliament led by Mr Nordli, former Prime Minister of Norway, who are doing us the great honour of visiting our institution for two days. They have taken their seats in the official gallery.

(Applause)

My colleagues and myself fully appreciate the political significance of this first meeting with the members of the Norwegian Parliament, which is demonstrating its desire — a desire shared by our parliament — to go beyond the relations as instituted by the free-trade agreement concluded between the European Com-

¹ Membership of Parliament: see Minutes.

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munity and Norway. We very much hope therefore that the working sessions and talks which our Norwegian friends will be having during their stay in Strasbourg will give them a better understanding of the reality of the European Parliament and will lead to a regular dialogue between our two parliamentary institutions. Once again, I wish you welcome.

(Applause)

8. Question Time

President. — The next item on the agenda is Question Time (Doc. 1-850/82).

We begin with the questions to the Commission.

Question No 1 by Mr Gontikas (H-133/82):

On 21 November 1981 two Greek subjects, Nicolaos Vassias and Kostis Mavros, were refused permission to enter Denmark by the Danish authorities on the grounds that they were not carrying enough money. In fact, the two Greeks had brought with them the maximum foreign currency allowance permitted by the Greek State. Subsequently, they were refused permission to contact the Greek Embassy in Copenhagen and were then taken in handcuffs to Copenhagen Airport Police Station, where they were held for 38 hours and then forced to return to Budapest. No explanation was given.

This act on the part of the Danish authorities is a clear infringement of Community regulations and of the Treaty of Rome.

The incident was reported in the newspaper *Eleftherotypia* on 1 December 1981; Greek public opinion was justifiably outraged.

What measures does the Commission envisage taking to have the Danish Government pay compensation to these Greek subjects for the financial loss they suffered and also for the humiliation they underwent, and what can be done to prevent similar occurrences in future?

Mr Narjes, Member of the Commission. — *(DE)* As the President-in-Office of the Council said on 21 April 1982 in reply to the same question by the honourable Member, the Danish authorities are investigating this matter. The Commission has requested the Danish authorities to report on the outcome of their activities and enquiries as quickly as possible. The Danish authorities have submitted an interim reply according to which it has not been possible to conclude the investigations because a report has not been received from the Greek lawyer representing the two men. The Commission would like to take this opportunity to say

that it will, of course, use the powers it has under the Treaties if it should transpire after the investigations have been completed and all the information has been received that the conduct of the Danish authorities did not comply with Community law.

Mr Gontikas. — I thank the Commissioner for the answer. However, I must say a year has passed since 1 December 1981 and the Danish State, which has a perfect administrative system, must have an answer by now. My second point is that the lawyer of the Greek people six months ago submitted a full report to the Danish Embassy in Athens.

Mr President, I conclude with these words and earnestly ask the Commission to reconsider the matter, and the services of Parliament to keep the question open.

Mr Narjes. — *(DE)* The information I have, according to which a report had not yet been received, is dated 13 October 1982 and was provided by the Danish representative to the European Communities. I would be very grateful if you could perhaps provide the Commission with a copy of the report that was submitted to the Danish Embassy in Athens.

Mr Bournias. — *(GR)* The stance taken by the Commission is satisfactory, but we are surprised and we protest at the stance taken by Denmark, a civilized country that amazes me by creating such an incident. What are we in Greece to say when every day we see people who, though they may seem suspicious, are not arrested. There may be some vigilance for narcotics, but that Greek subjects should suffer such treatment merely for not having sufficient currency is unheard of. I think that in the end we must expect some satisfaction, and I say this on behalf of the group of Greek members from the New Democracy.

President. — Mr Bournias, in the first place you have not posed a supplementary question, you have merely made a statement. Second, the Commissioner cannot at this moment answer on Denmark's behalf. There can be no attack on any particular country since the question covers the Community as a whole, all ten countries.

We have now heard your statement, and naturally there will be many colleagues who will agree with it, but none the less it was not a question.

Mr Brøndlund Nielsen. — *(DA)* I should like to ask the Commissioner to answer and, I hope, confirm that the Danish authorities have in every respect been as accommodating and as open in regard to a clarification and resolution of this problem as befits an efficient and proper government authority. Problems may of course arise in any country in checking on persons

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seeking entry and, when a sum of money is involved, quite clearly that is something for which certain standards should be laid down, although in Denmark we have extremely generous — I repeat, extremely generous — social rules, also for foreign immigrants. But I would ask the Commissioner to reply to my concrete question.

Mr Narjes. — (DE) I would not like to become involved in a comparison of the practices in the various Member States and would ask you to appreciate that I am being very cautious when I say that the *prima facie* evidence of Community law having been applied without reservation in this case is not very strong.

President. — Question No 2 by Mr Pranchère, taken over by Mrs Le Roux (H-255/82):

In its resolution on farm prices for the 1982/83 marketing year, the European Parliament called on the Commission 'to propose supplementary measures enabling the increase in production costs to be reduced in countries with a high rate of inflation'.

Does the Commission intend to act on this recommendation and to propose practical measures at an early date?

Mr Tugendhat, Vice-President of the Commission. — The Commission believes that the latest decisions on prices and related measures for the 1982/83 marketing year take sufficient account of the problem caused by the increase in production costs in Member States with high inflation rates.

Mr Gautier. — (DE) Mr Commissioner, do you agree that high rates of inflation are primarily caused by national economic policies?

Secondly ...

President. — Mr Gautier, one question at a time.

Mr Alavanos. — (GR) I am somewhat surprised at the Commissioner's reply, since he seems unaware that Greece is a member of the European Economic Community, and I would like to put the following question to him:

In the debate on the prices of agricultural products, while on the one hand the idea of a special increase for Greek products was rejected, on the other hand the matter of taking the inflation rate in Greece into account was left in abeyance; as is known, this rate is very different from the average within the Community, being up to 25%. And I ask the Commissioner, specifically what is happening about Greek

products when the increases due to inflation are in no way covered and when we see that the budget of the EEC for 1983 provides for a reduction of expenditure on Greek agricultural products, for example cotton, for which the reduction amounts to 5%? And all this is happening at a time when the Commission and the Council pay lip service to Mediterranean products to placate Greek demands in the memorandum, etc.

I would like a specific reply from the Commissioner.

Mr Tugendhat. — Certainly today, of all days, I could not fail to be aware of Greece's membership of the Community; but I would like to answer the honourable Member in two important respects.

First of all, he should be aware, since Greece has indeed been a member of the Community now for some little time, that the Commission produced a report on this subject in March of this year which showed no clear connection between a high inflation rate and a drop in agricultural incomes in the Member States concerned. Various other factors — in particular, the adjustment of 'green' rates and changes in productivity and agricultural structures — influenced the long-term development of agricultural incomes.

The Commission's price proposals for 1982/83 recognized that there might be short-term problems and took these into account. As to Greece in particular, the latest available figures show that in 1981 the cost of inputs in Greece went up by 23.3% over 1980, while production prices also went up by 23.3%. By June 1982, input prices had gone up by 10.6% over June 1981, while production prices had gone up by 33.3%.

Mrs Le Roux. — (FR) I was surprised by the dry tone of the Commissioner's answer. I am accustomed to receiving answers in a somewhat different tone and I should really like to know what measures the Commission intends to take to try to reduce these prices.

Mr Gautier. — (DE) The report adopted by Parliament last year, although I myself was not in favour, said that the high interest rates were a basic cause of the decline in incomes. From the Commission's document entitled 'Annual economic report 1982/83' I see that the real interest rate in countries with a high inflation rate, such as Greece, is -7%. In Ireland, where inflation is at 18.6%, the real interest rate is 1.1%, whereas in Denmark, where inflation is averaging 10.6%, it is 12%. Do you not therefore share my view that the problems have relatively little to do with inflation rates and that they must be tackled by reference to the individual country?

Mr Tugendhat. — As I have already said to Mr Gautier, I think the causes of differential inflation rates lie very largely in the countries concerned and result very

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largely from the diversity of policies or lack of policies pursued by the Member States. Our report shows that, contrary to what had been expected, there was no clear connection between a high inflation rate and a drop in agricultural incomes, and I think that that was a very interesting result of our study.

I would also like to point out to Mrs Le Roux who asked for more skin on the skeleton that I had just given a very lengthy answer to her Greek colleague. But I would like to point out that the decisions on prices and related measures for the 1982/83 marketing year went a long way to help the countries with differential inflation rates. First of all the farmers in those Member States with high inflation received an increase in common prices expressed in national currency which is way above the Community average and generally speaking very close to their inflation rate.

Secondly, special measures were adopted for some Member States with high inflation rates, notably Ireland and Greece. These included the introduction of the calf premium already paid in Italy. In addition, for Greece the prices of several agricultural products were aligned immediately on the common prices even before the planned date. I hope that she will regard the skeleton as being adequately clothed.

Mr Howell. — My question is this. It is quite clear, as the Commission has said, that different countries in the Community are addressing themselves to the problem of inflation in different ways. It is also quite clear that many countries are more successful at addressing themselves to that problem than others. Can the Commission give us any indication how it intends to link that problem with the problem of a common price proposal which is coming up? Bearing in mind that the United Kingdom is waging a very major political battle to fight inflation; bearing in mind also that the last price proposal was almost approved by default since the problem of the British veto was lost sight of, and recognizing that it will be impossible for the British Prime Minister to allow any type of award in the region of 10 or 11 or 12% which might be suggested by the inflationary levels of other countries in the Community; bearing in mind the political battles which she is fighting with other sectors of the British economy, most notably the British National Health Service at the moment, does he foresee a problem here and how does the Commissioner think it can be resolved?

Mr Tugendhat. — The honourable Member tempts me into a veritable mine field of questions and I think I can only suggest to him that he awaits the Commission's price proposals which will be appearing shortly. I would also like to take this opportunity to urge the House to support the Commission in a prudent price policy and in the introduction of the necessary restraints on the production of surplus commodities.

Mr Maher. — I have always been a bit baffled by the results of the Commission's study on this subject which the Commissioner referred to just a few moments ago because I am at least aware, and I can claim to be aware, of what the position is in my own country, I wonder if in fact the Commission has adequately studied the position country by country to find out exactly the relationship between inflation levels and farm incomes. Ireland is a country where industrial development is quite low, where agriculture is very important in the context of the economy of the country as a whole, where we export 70% of all our agricultural produce and where we are selling into a market at prices fixed relating to the average rate of inflation, which was about 10%, from a country where the average rate of inflation was in excess of 18% and where because we have no leeway to make up in terms of a devaluation of the Irish Green Pound, it is not possible for us to benefit that way unless we devalue our currency as a whole. Of course, that is a very difficult problem, as devaluation is a double-edged weapon. So I would like to know whether the Commission intends to restudy this question to see whether in fact their first results were the correct results because they do not seem to be working in practice — certainly in my country.

My last comment is that if the British want to ensure that their farmers get a low level of price increase they can devalue the British pound.

Mr Tugendhat. — I am afraid that I did not catch the last part of the honourable gentleman's question. But certainly the Commission has confidence in the report which it produced. I have no doubt, however, that my colleague, Mr Dalsager, would be very interested to receive any further information that Mr Maher or anybody else might bring to his attention. I would also remind Mr Maher — I do not know whether he was present when I made my earlier answer; he nods that he was not — of the answer which I gave to an early supplementary question when I pointed out that, first of all, farmers in those Member States with high inflation received an increase in common prices expressed in national currency which was above the Community average and generally speaking close to their rate of inflation. I drew attention to the various other measures which we had introduced in respect of Ireland and Greece. But I would ask him, if he does have any additional information, to bring it to the Commission's attention and we shall certainly study it.

Mr Ansquer. — (*FR*) On the subject of countries with a high rate of inflation Mr Tugendhat cited measures taken in Ireland. He referred to the premiums for calves. I wonder if he knows that these specific measures were taken rather belatedly and, more specifically, 7 to 8 weeks after the birth of calves in Ireland. I wonder what he thinks of this provision and whether the measures taken for the benefit of Ireland and of Irish farmers can be corrected.

Mr Tugendhat. — I think that, with my financial control hat on, I should point out that there is bound to be an administrative delay, and I am quite sure that those Members of the House who are members of the Committee on Budgetary Control would take a very dim view if we paid out money without being quite sure that the calves had actually been born. So that would be my reply to the honourable gentleman.

President. — Mr Gautier, I just wanted to point out that Annex I(14) of our Rules of Procedure reads as follows: 'Each Member may put only one supplementary question to each question at Question Time'.

Question No 3 by Mr Cousté will not be taken since item 271 on the draft agenda is maintained.

Question No 4 by Mr Balfe (H-312/82):

Could the Commission state what progress and plans have been made by Member States in respect of the implementation of the Directive on social security and sex discrimination?

Mr Tugendhat, Vice-President of the Commission. — The Directive on social security and sex discrimination No 797/EEC, adopted on 19 December 1978, will come into force at the end of December 1984. It is, therefore, by this latter date that national law should be in conformity with the directive. A certain number of steps in this direction have already been taken in Member States and others are in preparation or still have to be prepared. The Commission has already drawn up an initial inventory, based on information supplied by national governments, and is at present seeking to complement this information within the Advisory Committee on Equal Opportunities for Women and Men in order to discover precisely what remains to be done and what problems have to be solved. The Commission hopes to be in a position by the end of the year to draw up its report on this subject.

Mr Balfe. — May I thank the Commissioner for that most helpful reply and ask him for an assurance that all steps will be taken to make sure that the Member States are in full compliance with the directive when the operational date arrives as it has been the case that a number of directives of the EEC have not been fully complied with in all States. This one I think is regarded as being symbolic and very important by many people within this Parliament and within the Community. So I wonder whether he could give me that assurance.

Mr Tugendhat. — Yes, Sir.

Mrs Maij-Weggen. — (NL) As you are aware, difficulties have been encountered in the application of this

directive in Belgium and the Netherlands due to the existence in their legislation of a distinction between head of household on the one hand and family income earner on the other. Such a legal distinction has given rise to a situation in which a married man could always be assured of higher social security payments than a married woman. When can we expect the Commission to deliver an opinion on the legitimacy or otherwise of this legal distinction? The Committee of Inquiry into the Situation of Women in Europe has pressed repeatedly for a clarification of this legal distinction, which still remains obscure, and time is now running out, given that the two above-mentioned Member States will be obliged to adopt the new law as of January 1983.

Mr Tugendhat. — The Commission realizes that the kind of problem to which the honourable Member has drawn attention is a very difficult and very important one and it believes that it is a hidden or concealed form of discrimination for reference to be made in the case of workers of a given sex to their marital status in order to try to have differential benefits. But, as I say, the problem is a complex one and we have, therefore, decided to carry out a study on indirect discrimination and will request the opinion of the Advisory Committee on Equal Opportunities for Men and Women.

Mrs Viehoff. — (NL) With reference to equal treatment for men and women, the Commission drew attention to the plight of wives of migrant workers within the Community and of migrant women in general and concluded that their position was much worse even, than that of women from the Member States and that a solution to the problem would call for particularly strenuous measures. Can the Commission tell me whether these measures have been invoked, what they consist in, and the progress achieved so far?

Mr Tugendhat. — I regret to have to say that I am not in a position to give the honourable lady the information she requires. I will convey her question to my colleague, the responsible Commissioner, Mr Richard, and I have no doubt that he will write to her on this subject.

President. — Question No 5 by Mrs Ewing, taken over by Mr Junot (H-313/82):

Will the Commission state what progress has been made with regard to the ratification by Member States of the MARPOL Convention of 1973 (and protocol of 1978) and the STCW Convention of 1978 which were identified as two of the three most important international shipping conventions at the public hearing on marine pollution which was held in Paris between 20 and 22 June 1978?

Mr Narjes, Member of the Commission. — (DE) The 1973 International Convention on the prevention of

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the pollution of the seas by ships, amended by the 1978 protocol, has so far been ratified by six Member States of the Community: Denmark, France, Germany, Greece, the United Kingdom and Italy. The other Member States, excluding Luxembourg, which is not concerned, are in the process of ratifying the Convention. The two ratification thresholds which had to be reached before the Convention could enter into force — about 15 countries accounting for 15% of the world's gross tonnage — were achieved on 2 October of this year. Consequently, the Convention will enter into force one year later, on 2 October 1983.

The 1978 International Convention on standards of training, certification and watchkeeping for seafarers has so far been ratified by four Member States: Denmark, France, Germany and the United Kingdom. The ratification procedure is still in progress in the other Member States. To date, this Convention has been ratified by 21 countries, which account for 56% of the world's gross tonnage.

That was the position at the end of September. Before it can enter into force in accordance with international law, it must be ratified by 25 countries accounting for at least 50% of world tonnage. Another four countries are therefore needed, since the tonnage criteria have been satisfied. Once this 25-country threshold has been exceeded, this Convention will similarly enter into force 12 months later.

Mr Junot. — (FR) My colleague, Mrs Ewing, attaches great importance to this problem on which practical developments have been long delayed. I note with satisfaction that as regards the first agreement, the 12-month period which will enable the Marpol Convention to enter into force began to run on 2 October last. Can the Commissioner tell me what his forecasts are? It seems that with 21 States out of 25 we can expect the STCW Convention on crews to be ratified in the near future. Could he give us some provisional indications on this, without any obligation of course?

Mr Narjes. — (DE) Any reference to whether and when the national parliaments will ratify treaties would be little better than speculation. Since you ask, however, perhaps I may stress one thing: if all the other five Member States concerned ratified the Convention, they would bring the number up to 25. But it is also conceivable that it will be ratified by third countries, which would also give us the target figure.

At the moment it is very difficult to say which parliament feels able to undertake this ratification process in its own particular domestic circumstances. I take note of your statement, however, and I would also say on behalf of the Commission that we view with grave concern the fact that on average 10 years elapse between the signing of a convention of this kind and

its entry into force. We do not regard this as a suitable way to deal with so important a matter.

Mr Lange. — (DE) Does the Commission believe that the Member States which abstained in the vote can reasonably be expected to sign this Convention?

Mr Narjes. — (DE) As they signed the Convention, they can also reasonably be expected to ratify it.

(Interjection from Mr Lange: That does not answer my question.)

Mr Lange, countries which abstained did not sign if they had their doubts about the Convention.

Mr Lange. — (DE) I will put my question again: do you believe that countries which abstained at the time of the vote can reasonably be expected to follow the Commission's recommendation to sign the Convention? That was my question. Nothing else.

Mr Narjes. — (DE) We are referring to different sets of circumstances. I was talking about the circumstances to which the written question refers: when is the Convention likely to enter into force? It enters into force when 25 countries have signed.

It was also asked when it is likely to be ratified by other countries. This question concerns only those countries which signed the Convention. This is irrespective of the intra-Community procedures. I was therefore referring to the procedure outside the Community when I said that one subject of speculation was that the Convention would enter into force as a result of intra-Community efforts if it was ratified by all the countries concerned — all except Luxembourg, therefore — which signed it. As far as I know, there has never been a vote within the Community involving abstentions.

President. — Would you like to put another question, Mr Lange?

Mr Lange. — (DE) No, I would just like to make a comment, without raising a further question, if you have no objection.

Mr Narjes, I asked a question relating to the signing of this Convention and referred in this context to a recommendation made by the Commission. I deliberately refrained from including in this question the circumstances to which you have now referred.

Mr Narjes. — (DE) Mr President, I do not want to prolong this discussion unnecessarily, but I assume

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that a Member State which abstains during an intra-Community vote on relations with third countries or international organizations will, where a majority vote is sufficient and unanimity is not required, join with the majority in subsequent dealings with parties outside the Community.

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

Mr Pearce. — Mr President, I am somewhat disquieted by the way Question Time is going because you have on two occasions permitted individual Members to ask two questions, which is quite contrary to normal practice. Moreover, you have permitted a number of Members to make short speeches instead of asking questions. The result of this is that after an hour's questions, we shall probably find that only about six have been taken and all the other people who got questions in here are deprived of answers to questions that they have put down. May I therefore urge you, Mr President, to act strictly and to follow the normal conventions of this House to permit one supplementary per person and to stop people making speeches when they should be asking questions.

President. — Mr Pearce, you yourself have taken up some time in making your statement. Mr Lange's supplementary question was intended to make his meaning clearer. Besides, I have already asked three or four colleagues to phrase their questions more precisely. Your remark is therefore unfounded.

Mr Bonde. — *(DA)* My question concerns the Commission's authority to enter into international agreements on behalf of Member States. I should merely like to ask the Commission whether it will give us an assurance that, whenever it presents a proposal to deal internally with a matter, it accompanies it with a satisfactory explanation of the facilities available to take on external negotiating competence by way of the internal procedure, so that we are kept fully informed of the extent to which the Commission is competent to negotiate international agreements?

President. — Commissioner, this supplementary goes further than the original question. Do you wish to answer it?

Mr Narjes. — *(DE)* I can only say in general terms that the Commission always provides an explanation when it claims powers.

President. — Question No 6 by Mr Hopper (H-417/82):

Does the Commission intend to include in its new programme for research into sources of alternative

energy for 1983-87 the field of thermal energy of the oceans?

If this is not the case, will the Commission give its reasons, in view of the benefit this research could have for ACP countries with tropical waters?

Mr Davignon, Vice-President of the Commission. — *(FR)* I am sorry to have to disappoint Mr Hopper by saying that at this stage the Commission has no intention of giving priority in its research programme to problems of the use of thermal energy from the oceans. There are three reasons for this.

Firstly, we believe that more urgent actions can be conducted with more direct benefit to the developing countries in connection with their access to possible energy sources. Secondly, because the degree of technological uncertainty remains considerable and thirdly, Mr President, because we have already had such difficulty — as we saw in our debate this morning — in obtaining the funds needed to implement our priorities that we must avoid creating any impression among the Member States that we are placing all our research projects on the same footing.

I certainly would not suggest that no use will ever be made of thermal energy from the oceans. I believe that they constitute a reserve of energy but other forms of energy must be developed beforehand.

Mr Hopper. — I must ask the Commissioner if he is aware that on 9 November — only a week ago — the Council of Energy Ministers issued a communiqué in which they asked the Commission specifically to look at the subject of thermal energy from the seas and to determine whether it was a suitable subject for further study and has the Commission, in fact, been able in these four short days to make the profound study of the subject that is necessary on order to reach the totally negative answer which Commissioner Davignon has given us and may I add that this answer, which I hope is not final and definitive, will cause grave disquiet amongst underdeveloped nations because we have here an extremely promising technological development which can produce energy, possibly remarkably cheaply, in countries of extreme poverty?

Mr Davignon. — *(FR)* Since I had the privilege of representing the Commission at the Council meeting to which Mr Hopper referred I am aware of what happened and the proceedings were not exactly as Mr Hopper suggested.

When we discussed energy problems and the areas to which consideration might be given, some countries asked us whether our regulations on pilot projects excluded certain sectors and we answered that they did not. If Mr Hopper had asked me whether the

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Community saw thermal energy from the oceans as a possible resource during this century for the developing and other countries, my answer would have been much less negative. But he spoke of the Commission's outline programme for the years 1983-87. In the present state of our knowledge and of the projects submitted to us — which were not chosen by us — we cannot see any priority for this sector. Nevertheless if undertakings or countries propose, in the context of pilot projects, feasible and interesting projects with a substantial cost benefit, not least for the developing countries, we shall be happy to consider them. So far we have received no such proposals.

Mr Paulhan. — (FR) At present the EEC is financing a pilot project on the isle of Iona in Scotland for the installation of a heating system in an ancient monastery which is of great importance to Celtic culture.

Is this system to use thermal energy or what form of energy?

Mr Davignon. — (FR) Mr Paulhan, you have won.

There always comes a time when we cannot give a vague answer to a question to which we do not know the reply.

Mr Paulhan, you win. I do not know and I will answer tomorrow.

Mr Moorhouse. — It is rather hard to match the last question for its ingenuity but since the Commission does not propose to include thermal energy in its programme for research for 1983, could the Commissioner tell us whether there have been any independent studies undertaken by, say, the private sector — we do not entirely rely on government or the Commission — and what, if any, were the conclusions of such private sector studies?

Mr Davignon. — (FR) I was suddenly worried that I might have difficulty in answering two successive questions but my morale is now improving.

Let us be quite clear about the answer I gave Mr Hopper just now. He asked me whether there would be operational proposals from the Commission to support, on a priority basis, a precise programme for the use of thermal energy from the oceans. I answered that question. Does this imply that the Commission is not following all the academic studies — and when I say academic I do not mean utopian — being carried out by the private sector or in liaison with the public authorities by various universities to use this source of energy? My answer is no, we are maintaining close contact, we are participating in studies and we are cooperating with the United States to follow the development of their studies in this area; as I told Mr

Hopper in answer to his supplementary question, if a pilot project were submitted to us in this area and met our objectives we could provide support for it. We should then be providing assistance for external initiatives at the level of preliminary studies or pilot projects. We shall continue to follow this matter with the closest attention because, given the present energy situation of the Community and of the developing countries, we cannot adopt an arbitrary attitude eliminating any future possibilities.

Mr Eisma. — (NL) Without wishing to cause the Commissioner any difficulty I would just ask a very short supplementary.

Am I now to understand that within the context of the pilot projects the Commission received no request on the use of thermal energy from the oceans? Or, alternatively, that requests have been received, but were rejected as offering no realistic prospectives? I am afraid the distinction has escaped me.

Mr Davignon. — (FR) Under the old regulations projects relating to thermal energy from the oceans could not have been considered. The legal basis did not exist. The legal basis will exist in the new regulation and we shall therefore be able to assess such projects. Although we have not yet received any proposals for projects in this area this does not imply that such projects are unsatisfactory; so far we had no legal basis to support them because the regulation on pilot projects did not cover this particular area.

Mr Purvis. — I think that I can help Mr Paulhan and the Commissioner on this question of the monastery in Scotland. The Abbey of Iona was the first abbey founded in Scotland by St Columba, who brought Christianity from Ireland to Scotland, and it is there that all the Scottish kings are buried. So in fact the EEC has helped to provide a heating system, using the warmer water of the Gulf Stream, I gather, to keep the Scottish kings in a state in which they might be expected to survive.

I should like to ask the Commissioner if there is no scope for cooperation in this field, perhaps through the International Energy Agency. Perhaps the next meeting of the IEA could examine the question of the scope for cooperation on an international basis. Perhaps it is even more appropriate to do this outside the Community than within it.

Mr Davignon. — (FR) I am grateful to the honourable Member for his contribution to my culture. As you know, the Commission is taking part in the working party on the development of technology which was set up by the Versailles Summit Conference. At that summit a group of several participating countries plus the Community was established to examine projects on

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this scale where the need for risk-sharing is essential. I shall see to it that the Commission representative raises your question in that group and perhaps later on in more operational bodies such as the International Energy Agency.

President. — Question No 7 by Mr Prag (H-344/82):

Will the Commission confirm that work in the network of the 15-20 districts under the Commission's action programme of social integration of disabled people will begin in 1983, and will not be postponed to 1984?

Will the Commission also state what work on this programme it expects to be completed (1) by the end of 1983, and (2) by the end of 1984?

Mr Tugendhat, Vice-President of the Commission. — The Commission is able to confirm that it plans to launch a network of districts to promote the social integration of disabled people before the end of 1983. By early 1983 the districts themselves should have been identified in accordance with the regulation on the social integration of disabled people and in cooperation with the liaison group on disability representing the Member States. Arrangements for Community funding towards the first preparatory year of activity of the districts should be confirmed by the second half of 1983 in the context of Commission decisions on pilot projects and studies financed through the European Social Fund. The Commission will, towards the end of 1983, organize a workshop with representatives of the districts to assist the local authorities concerned in preparing their work plans.

By the second half of 1984 each district should have defined more precisely its objectives and work plans for the duration of the project. The Commission expects to be in a position to prepare information sheets on each of the projects for dissemination by the end of 1984. Successful adherence to this timetable depends entirely on the availability of the appropriations provided in the Commission's preliminary draft budget for 1983.

Mr Prag. — I would be the last person to scoff at the Commission's action programme or indeed at the very full and helpful reply which Commissioner Tugendhat has just given me. However, I would like an assurance from the Commission that it intends to use its influence and power of initiative to get practical things done for disabled people in general throughout the Community, because these districts together will only cover a very small proportion of the total area of the Community. Now there is already a great mass of research findings available on all kinds of things which are of interest to disabled people but which are badly or inadequately applied, if applied at all. Will the Commission give us an assurance that it plans one day

to move towards getting Member States actually to apply effectively for the practical benefit of disabled people the lessons we are continually learning from research of the kind planned in the action programme?

Mr Tugendhat. — The answer is yes. However, as I am sure the honourable Member will recognize, in order to be as effective as he and I would wish, it would, of course, also be necessary to expand somewhat the Commission's competence and indeed its influence. Nevertheless I very much hope that we will be able to go some way down the road that he has sketched out for us.

Mr Boyes. — In the past, and particularly in the Year for Disabled Persons, this Parliament has been lobbied by a great number of people looking for help from the Community. We should have made it our primary objective to give them hope for the future. If I understood Mr Tugendhat's answer correctly, these very limited projects will, as my colleague Mr Prag has emphasized, affect only a very few people in this massive Community of ours, and even they will not start until 1985. Parliament in its wisdom decided to recommend 32 activities, but I do not think that I have heard of any proposals that are to be implemented in respect of any one of them, usually because of the cost. I would like to ask the Commissioner if the Commission is very seriously considering one of the most fundamental needs of the disabled person, which is work, and our recommendation, which involved zero cost, that there should be a quota system?

Will the Commission please confirm to me that it is still considering the possibility of a quota system for disabled persons? In this way a fair number of them can be guaranteed work.

Mr Tugendhat. — The Commission is certainly actively engaged in studying all possibilities in this field, and I have no doubt that my colleague, Mr Richard, would be only too pleased to give the honourable Member further and more detailed information. However, I would point out to the honourable Member that quotas in favour of one group of people necessarily limit the opportunities of other groups of people. Within that context the Commission's power and influence, as I indicated to Mr Prag, is indeed very limited. Some Member States, including the country from which both Mr Boyes and I come, have made a particular effort to recruit handicapped people into the public service, for instance. That is true of some countries. It is not true of all. However, I will certainly convey the concern which he expressed to my colleagues.

Mrs Maij-Weggen. — (NL) Mr Boyes took the words out of my breath to a certain extent. Parliament has made urgent requests to the Member States on the

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adoption of a quota system for the disabled, who suffer a higher rate of unemployment than the two other major neglected groups within our Community, namely the young and women. My specific question is this: What must be the overall percentage of disabled persons in the Community before the Commission decides to introduce a quota system for them similar to that which already exists in France and the Federal Republic of Germany, and how many Member States will have to introduce their own quota system before the Commission is forced into introducing a Community regulation?

Mr Tugendhat. — There cannot be exact answers to those questions, and I think one must recognize that circumstances, opportunities, ways of dealing with problems do vary from one Member State to another. Mrs Maij-Weggen knows that this is not my portfolio or my direct responsibility, and I hesitate therefore to try to lay down the law in too absolute a fashion. As I said to Mr Boyes, I will convey her views to my colleagues, but I think that the answer I gave initially to Mr Prag, which was — and he was kind enough to say this — an extremely full and detailed and explicit one setting out a programme for action, really does show that the Commission is making a serious effort in the field.

President. — Question No 8 by Mr Alavanos (H-376/82):

The crisis in the Greek steel industry is having serious repercussions for the problem of unemployment, especially having regard to the magnitude of employment in the Greek steel industry.

Can the Commission state on whose authority and for whose benefit there has been no move to implement Article 56 (2) (b) of the ECSC Treaty?

What amounts have been allocated for 1980-81 and having regard to Article 68 (5) what is its attitude to the serious differences in subsidy policy and more generally the treatment of unemployed steel workers as between Greece and other Member States such as Belgium and France?

Mr Davignon, Vice-President of the Commission. — (FR) In reply to Mr Alavanos, I would describe the situation as follows: the application of Article 56 enables the ECSC to intervene in the social area under certain conditions.

Firstly, a government must ask the Commission to intervene and secondly that government must cover 50% of the cost of intervention for the benefit of workers. We have received no application of this kind from the Greek Government. The appropriations entered in the ECSC budget which represent the social component advocated by us with the support of Parliament, are available for actions of this kind but are

not committed solely at the initiative of the Commission; an application must be made by a Member State which must also contribute.

As to the second part of Mr Alavanos's question, namely whether the social aids granted to other industries under the ECSC system are liable to distort the functioning of the steel industry, my answer is no.

Mr Alavanos. — (GR) I thank the Commissioner. I think that in the first part of his answer he made himself fairly clear and from what I understand it is a matter which, at least formally, ought to be moved by the Greek Government. As regards the second part I would like a more specific statement from the Commissioner because there really are very substantial differences, which he perhaps knows much better than I, between the unemployment supplements and the provision of social security for the steelworkers in Greece and those provided for steelworkers in Belgium, France, or other countries. I believe this to be contrary to Article 67, paragraph 2 of the ECSC Treaty, and even more generally, with the broader spirit of dealing with these problems. I would therefore like the Commissioner to express his thoughts more fully on this matter.

Over and above the formal problem involved, does he consider this to be an acceptable situation?

Mr Davignon. — (FR) I am perfectly willing to enter into a number of highly technical details. Article 68 (5) of the ECSC Treaty allows the Commission to intervene if the method of financing social security provisions or the type of action taken by Member States to respond to the unemployment problem affects the structural competitive situation of one industry in relation to others. Here the Commission quite clearly has exclusive competence, i.e. it must ensure that the various national systems do not change the relationship between the different industries in the coal and steel sector.

The analyses which we have carried out up to now — although we do not as yet have full details on the way in which the system operates in Greece — show that these differences are not large enough to affect the competitive situation of individual undertakings. I therefore answered Mr Alavanos to the effect that we had no evidence of any distortion of competition in this area and that we are keeping the situation in Greece permanently under review just as we do in the case of other countries.

President. — Question No 9 by Mr Ephremidis (H-378/82):

Greece is the only country in the EEC and in the whole of Europe that produces raisins. Today it has stocks of unsold raisins from last year's har-

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vest (95 000 tonnes composed of 70 000 tonnes of sultanas and 25 000 tonnes of currants, i.e. 70% of the 1981 production) and it is expected that this year's harvest will amount to 150 000 tonnes. Since its accession to the EEC, Greece has been facing strong competition from the USA, Australia, Turkey, etc., which, by reason of the preferential agreements they have with the Community and the dumping prices which they apply, are ousting Community products in the EEC itself, which formerly absorbed 95% of Greek production.

In view of the alarming situation that has been created in the raisin-producing regions of Greece (Crete, West Peloponnese) does the Commission intend taking immediate measures to put into real effect the principle of Community preference, and of protection from the imports of third countries, to provide premiums for exports to the Socialist and other countries, and to finance programmes for the promotion of modern scientific methods of cultivation and processing in order to reduce the cost and to increase the production of Greek raisins?

Mr Tugendhat, Vice-President of the Commission. — At the end of the 1981/82 marketing year, stocks in Greece amounted to about 55 000 tonnes of sultanas with no surplus of currants. During the period prior to accession, Greece sold 33% to 37% of its exports of sultanas on the Community market. Since accession there has been a significant increase in Greek production combined with good harvests elsewhere. Normal protection for Greek dried grapes against imports from non-Community countries is provided by the Common Customs Tariff, which applies to most non-Community countries except Turkey, which qualifies for a reduced rate of duty. Because of market disturbance caused by third-country imports, a safeguard measure consisting of a minimum import price of 1 067 ECU per tonne for dried grapes other than Corinthian dried grapes has been established. In addition, the selling price of Community dried grapes has been lowered in order to make them more competitive in relation to the minimum price, taking into account the costs of transport and market conditions. The Commission is now considering how improvements can be made to the conditions under which agricultural products are produced, processed and marketed, giving particular attention to the problems in Mediterranean regions. In due course it will make proposals for raising producers' incomes by taking account of the market situation and outlook.

Mr Gautier. — (DE) I have chosen one question from several. Many German traders complain about the quality of Greek raisins and say they would not take them at any price. Does the Commission have any information on the quality of the raisins taken into

intervention in Greece, and can it say whether this statement is true?

Mr Tugendhat. — I am sure the whole House listened with interest to the honourable gentleman's question, but I think that with raisins as with so many other aspects of life, much depends on one's personal taste.

(Laughter)

Mr Curry. — Has the Commission asked itself why there are unsold stocks of raisins in Greece? If it has done so, has it come to the conclusion that the price is too high? If it has come to that conclusion, has it also arrived at the conclusion that this is because the price was bid up in the course of the accession negotiations? Has it come to the conclusion that the solution, which is to impose a minimum import price, is precisely a microcosm of the problems which we are facing in a number of agricultural sectors? If it has absorbed all that, has it come to the conclusion that in the course of a price review it must take urgent measures to bring the price into balance with the market, and do I interpret the Commissioner's remarks as meaning that he is intending to produce direct income support coupled with a lower price in the course of a price review?

Mr Tugendhat. — The honourable Member, like his colleague Mr Howell, tempts me into a veritable minefield of supplementary questions, and I can only ask him to await our price proposals with the interest which I am sure he already feels.

Mr Seligman. — Does the Commission know the difference between dried grapes, sultanas, currants and raisins? They are all the same thing, are they, or are they different?

(Laughter)

Mr Marshall. — Would the Vice-President of the Commission, who used to represent the City of London in another House, educate his colleagues in the virtues of using the price mechanism as a means of ending surpluses? Furthermore, can we have a guarantee from the Commissioner that in considering this problem he will bear in mind the interests of the consumer and of the food-processing industry, both of which are too often subordinated to another vested interest?

Mr Tugendhat. — I will certainly bear the honourable gentleman's injunctions in mind. We do of course attach a great deal of importance to the price mechanism, but there are other factors and other obligations which also have to be taken into account. I think it was a gentleman not of our own party but of

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another who said, 'Politics is a matter of priorities'. But that is indeed the case.

Mr Gontikas. — Can the Commissioner state whether or not the Commission wants to take certain measures towards subsidizing those areas of Greece which are mainly occupied with the cultivation of vines.

Mr Tugendhat. — Again that question relates directly to the agricultural prices proposals which are now not very far distant, and I would ask the honourable gentleman to await our decisions and their publication.

President. — Question No 10 by Mr Albers (H-396/82):

What action does the Commission intend to take on the findings of recent studies which show that falling asleep at the wheel is attributable more to hours spent at work than to hours spent driving?

Mr Contogeorgis, Member of the Commission. — (GR) As is known, several studies have been carried out to investigate the connection between fatigue and the reactions of drivers, a matter that is also covered by Regulation No 543 of 1969. The Commission is looking into this matter, as well as other related matters arising within the scope of the harmonization of Community regulations with a social content relating to the sector of road transport, with a view to the stricter application of those regulations. All these matters are currently under discussion with the governments and with the social partners. In these deliberations we are examining among other things the possibility of defining specific limits as regards working hours, on a weekly or on a daily basis. When these deliberations with the governments and social partners have been completed the Commission intends to submit proposals to Council for the amendment of the social harmonization of Regulation No 543, to whatever extent its scope renders necessary in the light of the studies in progress.

Mr Albers. — (NL) I am grateful to the Commissioner for his answer but I would nevertheless like to follow it up with a supplementary. If it is true that the Commission is considering amending the regulation in order to take more account of working hours than actual time behind the wheel then it would seem to present an ideal case for investigating the possibilities of reducing the working hours for road haulage chauffeurs and I would like to ask the Commissioner whether the Commission's inquiry embraces this point too? It is a generally recognized fact that road haulage chauffeurs have longer working hours than the average for the industry and I must know whether there is a clear reference to this in the inquiry?

Mr Contogeorgis. — (GR) This matter is also being discussed with the governments and the social partners, namely both the length of the working hours for drivers and the apportionment of working hours so as to allow greater freedom in selecting timetables.

Mr Rogalla. — (DE) As regards the problem of tiredness at the wheel, has the Commission also considered whether waiting at the internal frontiers causes tiredness among both lorry and car drivers? Does the Commission have any statistics which pinpoint the internal frontiers at which lorry or car drivers have to wait a particularly long time? Is it taking this opportunity to refer yet again to the senseless delays caused by checks at the internal frontiers between our Member States?

Mr Contogeorgis. — (GR) The matter of border delays has been considered by the Commission and a relevant proposal was submitted in June and is now before Council. This proposal aims to simplify many of the formalities so as to curtail the delay. The cost of border delays for goods vehicles caused by the multiplicity of uncoordinated formalities is high, and this is stressed in the proposals we have submitted.

Mr Moreland. — I should like to say in response to the last answer that I would suggest that the Commission's proposal that has been referred to only scratches the surface of the very serious border delay problems that have been referred to.

But my question to the Commissioner relates specifically to falling asleep at the wheel. Is it not true that all the studies so far show that in fact a difference between, shall we say, 8 hours' driving time, which is current Community law, and 10 hours' driving time, makes little or no difference as regards the accident rate? Should not the Commission review this, particularly as, I think I am right in saying, certain Member States have not in fact introduced the law and certain Member States abuse it badly? Indeed one wonders whether the law is in fact now out of date since circumstances have changed since it was introduced during a period in the 1960s when one was interested in social harmonization.

Mr Contogeorgis. — (GR) Among the matters being discussed with the governments and our social partners, is a fuller application of the Community's regulations with a social content in the transport sector. As I said earlier, in these deliberations we are examining the length of the working day and its apportionment in a more flexible way. From a study carried out by the Bathel Institute in Frankfurt it emerges that fatigue arises not only as a result of the driving hours as such, but more generally from the total hours of work by the driver including other activities such as loading, unloading, etc. As I have said, all these matters are being discussed and we hope that towards the end of

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the first six months of next year we will be in a position to submit, on the basis of the results of the studies and the discussions with social partners, proposals for the adaptation of the social regulations in the transport sector to the new conditions.

Mr Maher. — It strikes me that it would be necessary for the Commission to define what exactly is meant by work in this context. For some people driving is work; for other people it means travelling between work — driving to or from work. What exactly is meant by work? Would the Commission try to define what is meant here? I think that in that way it might be more easy to understand what exactly ought to be done.

Mr Contogeorgis. — (GR) The meaning of work is defined in Regulation 543. As I mentioned earlier, for a lorry driver work is often not confined just to the driving but includes other activities connected with the transport of goods and that are entrusted to the drivers. All these matters are being examined conjointly and I repeat that there has been a study in depth, taking into account other studies by several institutes competent in the matter. We have also maintained very constant contact and deliberations with the social partners, and we will be ready next year to submit specific proposals for the application of these regulations.

President. — Question No 11 by Mr Paulhan (H-402/82):

Can the Commission provide information on the results of new combustion experiments on the development of liquid substitutes based on fuel oil/coal mixtures for use in power stations normally fired by heavy fuel oil, carried out *inter alia* by the BP company in France?

Mr Davignon, Vice-President of the Commission. — (FR) Very briefly, because time is short, first of all we are very interested in experiments involving oil/coal mixes in the context of the development of a policy aimed at reducing our dependence on oil. In this connection we are following the BP programme to which Mr Paulhan referred. We are also following a second project in France supported by our research programme financed by the ECSC and we are considering projects which will use coal and water instead of oil.

Mr Paulhan. — (FR) I am grateful to the Commissioner for filling some gaps in my knowledge on this subject.

Mr Seligman. — Can the Commissioner tell us what sort of difficulties — such as corrosion or erosion — are encountered when you mix coal and oil? Particularly in the case of coal and water, are you talking

purely about transporting coal in a slurry form or actually using it as fuel in an engine?

Mr Davignon. — (FR) There are a number of technical problems and the purpose of the experiments to which I referred just now is to ascertain how these mixes will behave in boilers. The difficulty of this type of activity is not so much to conduct the actual experiment as to ascertain how the instruments in which the new mixture is used will behave over a period of time.

In our particular area we shall be working both on boilers and on the injection e.g. into blast furnaces of a coal/oil mix to examine the results obtained. I shall therefore give no answer in respect of transport equipment but confine myself to the use of energy on which I have already replied to Mr Paulhan.

Other experiments also figure among the Commission's priorities for the development of new technologies enabling coal mixes to be transported for wider use in the Community — as you know an increase in the use of coal is considered desirable in some quarters as a response to the energy crisis but apart from Italy, where consumption has increased, it has fallen in all other Community countries in a manner inversely proportional to the number of speeches made on this subject.

Mr Brøndlund Nielsen. — (DA) The question is about converting solid fuels into liquid ones, and I should like to ask the Commissioner what energy loss and energy consumption are associated with this conversion, and whether the Commission is aware that processes of this kind, in which energy is used to produce energy, can be somewhat dubious from the point of view of energy economy.

Mr Davignon. — (FR) We are trying to answer the question put to us just now. Of course there are losses. Are these losses compensated by the advantage of the mixture over a sufficiently long period to be able to assess the economic viability of the initial investment — since there is a change of technology and of the equipment used — of maintenance — that was Mr Seligman's question — and of energy losses? Those three questions will be covered in our evaluation of this technical project.

It seems important to me to confirm one thing to Parliament at this stage: nowadays the development of technology is showing that nothing is technically impossible. But is it desirable? That is an altogether different question. We are verifying this at present through these various experiments. Depending on the outcome we may or may not have a method of energy substitution.

President. — The first part of Question Time is closed.¹

I have to inform Parliament that Mr Alex Chloros, a Greek judge at the Court of Justice, has died. On behalf of the European Parliament I offer our condolences to his family.

9. Budgetary control (continuation)

President. — The next item is the continuation of the debates on the reports from the Committee on Budgetary Control.

I call Mr Gabert.

Mr Gabert, rapporteur. — (DE) Mr President, ladies and gentlemen, the debate and vote on the discharge in respect of the ECSC have again been delayed somewhat this year. I believe, however, that the goal of granting this discharge at the same time as the debate on the discharge in respect of the other institutions can be achieved when we come to considering the 1981 financial year.

The difficulties and hence the delays have been essentially due to three factors. Firstly, the services of the Commission responsible for the accounting were not sufficiently well organized, and the Commission was faced with an increasing volume of business, especially in the areas of borrowing and lending. Delays were also caused by differences of opinion between the Commission and the Court of Auditors, it being unclear which documents were to be forwarded to the Court of Auditors and what deadlines had to be observed. Nor was it clear how the Court of Auditors should exercise its control. In this respect, I can say with satisfaction that all these difficulties have been overcome. The Committee on Budgetary Control was able to act as mediator in this process. The Commission and the Court of Auditors now have an agreement, which means that these difficulties will not occur again.

As regards the 1980 financial year, it should be pointed out that the European Parliament is above all able to appraise the regularity of ECSC accounting, the balance sheet and the account of revenue and expenditure. Nevertheless, the Committee on Budgetary Control has unanimously decided to grant the discharge but also to draw up a separate resolution based on the remarks of the Court of Auditors on economic efficiency and the Commission's comments on these remarks. ECSC borrowing and lending activities are also discussed together with the remarks of the Court of Auditors and the Commission's answer.

The documents I have mentioned were not forwarded to Parliament until 14 October 1982. In view of the importance of the points discussed in them and of the particularly difficult situation in the European steel industry, Parliament needs to consider these documents very carefully. The motion for a resolution which I am tabling on behalf of the Committee on Budgetary Control lists the problems I have briefly outlined. It also raises another point which causes difficulties and unfortunately seems to occur every financial year: the delay in the transfer of Member States' contributions to the ECSC. These contributions are fixed by Council decision and the rule is that they must be transferred by 31 December. In fact, almost all the Member States are very late in paying, and one Member State has not yet paid its contribution for 1980.

The Committee on Budgetary Control feels this situation must be condemned and, if similar circumstances are found to exist at the time of the next audit, will propose the steps that the Commission must take. Even now it calls on the Commission to make urgent representations to the Member State concerned with a view to receiving its contribution at long last.

The Committee on Budgetary Control recommends Parliament to grant the discharge in respect of 1980 while adding that a further report on the questions relating to the economic efficiency of the ECSC will follow.

I am assuming that all the institutions concerned will complete the necessary preparations for the discharge in respect of the 1981 financial year early enough for the normal deadlines to be observed next year and in subsequent years. I recommend Parliament to approve the motion for a resolution tabled by the Committee on Budgetary Control.

(Applause)

President. — I call the Socialist Group.

Mr Gautier. — (DE) Mr President, I shall try to keep to the four minutes. When they are up, I would ask you to interrupt me.

I will begin by congratulating Mr Wettig and the Committee on Budgetary Control on their outstanding report on the organization of the market in cereals, on which I have a few words to say. It differs, I am glad to say, from many reports produced by my own committee, the Committee on Agriculture, and I should like to consider some of the aspects it covers.

In the report Mr Wettig and the Committee on Budgetary Control discuss a number of aspects of a more technical nature and various aspects of the organization of the market in cereals which concern the agricultural policy.

¹ See Annex of 17. 11. 1982.

Gautier

With regard to the aspects which concern the agricultural policy, I should like to say on behalf of my group that in particular we endorse the suggestion made by the Commission and also the Committee on Budgetary Control that in the long term the Community price of cereals should be adjusted to the support level in the United States, with due account taken of the special social structures in the European Community.

We feel this will have three advantages. The first major advantage is that the cost of animal husbandry will be reduced. We must remember that some 70 to 75 % of agricultural incomes is derived from animal husbandry, which is a major cost factor. Secondly, much of the problem of substitutes would be removed, and there would be no trade disputes. Thirdly, the cost of exports would be reduced. We therefore endorse this suggestion.

The second point, of which we are similarly very much in favour, is a change in the Commission's policy on the durum wheat subsidy. Either the Commission should limit the durum wheat subsidy to the first 10 ha or whatever, because there is no reason why a farmer growing 100 or 200 ha of durum wheat should receive a subsidy per hectare — that is really absurd — or, if the Commission cannot limit it to 10 ha, the money should be used for specific regional measures.

I would also urge the Commission to make very sure that the Member States actually pay out the durum wheat subsidy at a reasonable time. A short time ago I was talking to a number of farmers in the south, some of whom had never seen a durum wheat subsidy. It then has to be asked: what happens to the money? Is it kept by the Member States' administrations?

The third point I should like to mention concerns, paragraph 7 of the motion for a resolution on the Community's starch policy. We fully endorse the proposal that producers should be discouraged from producing, or that the production subsidy should eventually be abolished, provided that the Commission develops a reasonable, all-embracing concept for a policy on starch. It is quite clear, of course, that the European starch industry cannot compete with that of America and other countries if artificial levies are imposed on maize and the industry has to operate at increased costs. But the Commission should consider how it can incorporate all starch production in the Community in a reasonable concept and what means can be used to this end.

This leads me to ask the Commission whether it would not be possible, for example, to make provision for levy-free import quotas and perhaps to include this point in the negotiations with the United States, with which we at present have a number of problems connected with the corn gluten sector. Perhaps this would facilitate the negotiations with the United States in this respect, because the negotiations in Geneva on the Commission's proposal will not be easy.

My penultimate point concerns the criteria the Commission applies to exports. It is amazing — and I am aware of the concern felt by many Commission officials — how the Commission always exports cereals when the world market price is at its lowest. The Commission obviously assumes that it must support the internal market price, which, of course, is linked to the world market price. The question is simply whether the far from economical procedure of exporting when the world market price is at its lowest must be applied or whether certain forms of storage and other measures would not permit exports to be delayed until a more favourable moment, which might mean the saving of several hundreds of millions of DM.

Finally, I should like to say that we fully support international agreements like the Sugar Agreement and also the World Grain Agreement that has been mentioned here. I believe the Commission should have a few words with the Americans to make it clear that it is in the interests of both blocs — the Community and the USA — to stabilize the world cereals market.

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

Mr Aigner. — (*DE*) Mr President, I also wish to speak in my capacity as chairman of the Committee on Budgetary Control in order to save time. I shall be very brief. I will begin by thanking the Member on the left — or on the right from where I am standing — for his praise, although I am always cautious and always ask why praise has been given. The Committee on Budgetary Control does not as a rule make any friends. It either does not achieve what was hoped of it because the machinery is too cumbersome or encroaches on the terms of reference of other committees, who then say: this has nothing to do with you. I therefore gratefully accept praise from a representative of one of these other committees, although I must say straight away that the explanatory statement does not — as our rapporteur knows — tally with the resolution, because the resolution was originally in a completely different form. At four meetings, I think it was, we had worded the resolution so that it concerned only the control aspects and left the substance to the appropriate committee. How successful we were is evident only from the number of amendments tabled. But I am grateful for one thing you have said. For years, Mr President, the Committee on Budgetary Control has been fighting for the organization of markets to be made more flexible and for implementation to be aligned more closely with the situation on the market. I agree with you on that, and we have also proved that, if the Commission takes greater account of this situation with its machinery, which is cumbersome, and it will just have to develop various instruments, it can — and with our parliamentary control we have, of course, managed to save hundreds of millions of units of account, if not more.

Aigner

Mr President, this has been a rare success for me as chairman of the committee. I should like to thank the Commission for the seriousness and willingness it showed in this audit dialogue. I do not think I shall be so successful tomorrow, when we come to discuss the butter business. But, Mr Tugendhat, I must say to you that we have both learnt something, in what was often a difficult dialogue. But in committee we never really had the impression that our remarks or our decisions were not being taken seriously or that the Commission lacked the will to draw the necessary conclusions. I should therefore like to offer my sincere thanks to you, Mr Tugendhat, for being so cooperative and receptive to our criticism and also your officials — I see Mr De Koster there: he is almost a fixture in our committee.

Nevertheless, Mr President, I cannot help remarking on a few matters which I view with grave concern. I have already mentioned one. The first is the cumbersome machinery. Mr Tugendhat, I know that, the structure of the Commission being what it is, this is simply a law which it is difficult to change. The many levels involved, and the many national influences, the many Council committees that have a say here, and unfortunately the fact that optimal use is not made of opportunities for mobility where policy and also staff are concerned. This continues to cause us great concern. And, Mr Tugendhat, I really must urge you and your officials to pay greater attention to this problem. You must react more quickly to certain things, not only to certain criteria governing parliamentary control but also to certain events, in the market for example.

Secondly, time and again, Mr Tugendhat, we become aware of the absence of a fully operative information system within the Commission itself. Mr President, when you find that one official does not know what his neighbour is doing, that they are working in parallel, but not together, the only conclusion is that the internal information policy — and anyone who has ever managed a firm knows how difficult . . .

(The President calls on the speaker to finish)

Mr President, I did say that I would also speak as the chairman of the committee. There are a few things I simply must . . .

President. — I must ask you to be brief.

Mr Aigner. — *(DE)* . . . but this lack of information, and I also have the impression, Mr Tugendhat, that some officials are very obstinate in keeping information to themselves. Something simply has to be done about this.

On the positive side, I can say — briefly, of course — that Members who are interested should refer in parti-

cular to paragraphs 3, 4 and 6 of Mr Irmer's report. For years we have fought for the budget to be regarded as the legal basis for activities. That is a demand we have been making for years.

Mr President, I should like to conclude by offering my sincere thanks to the rapporteurs. Not only Mr Wettig, Mr Irmer and Mr Gabert, but also and above all Mr Kellett-Bowman for his report on Ispra. It is a pity that the Commissioner responsible is not here. Mr Tugendhat, perhaps you could pass on a request to him. What we need in Ispra is a change of policy, which cannot be achieved with administrative instruments alone. There must be a change of policy, and the Commission must do what is necessary.

Secondly, staff mobility is the consequence of a political decision. Hence my request that we join with the rapporteur and the relevant Commissioner and consider this problem in greater detail among ourselves. We may then find a solution.

Mr President, I will confine myself to thanking my and our rapporteur and particularly the staff of the Court of Auditors for their contributions to this part of our work. We shall be having the actual debate on the discharge at a later date.

(Applause)

President. — I call the Liberal and Democratic Group.

Mr Brøndlund Nielsen. — *(DA)* I want to make special reference to the Wettig report. I should like to thank Mr Wettig for the serious work he has done, which I also found conveyed in his speech today. But I would level the criticism at the report, which in the first place Mr Wettig himself raised, namely that it is too negative towards the common agricultural policy. This has also been reflected in a number of motions for amendments, which I think are sensible ones and which, without going into a lot of detail, I would recommend.

The grain policy is an element in the common agricultural policy which has functioned exceedingly well in many respects. I do not feel that, at a time when there is hunger in the world and a shortage of such a basic foodstuff as grain, that it is right to complain that the Community's grain production has risen so that quantities are now also available for export.

Parliament rightly makes strenuous efforts to uphold its right of review, and I think that right should extend to concerning ourselves with the manner in which the rules laid down for minimum prices and for price movements are observed and adhered to. We have to concede here that, at least in some periods, developments have left much to be desired with regard to the aim of ensuring that the price of grain, which is to a

Nielsen

large extent determined by Community policy, shows a calm and stable trend. It is a source of very considerable inconvenience, not least to pigmeat producers, when the price of grain suddenly fluctuates dramatically, and it must be possible under the present arrangements for common market grain prices to avoid the sudden onset of phases characterized by what I would call really drastic increases in the price of grain. I also feel that Parliament should make a protest over this: since we have this grain policy, prices should be allowed to follow an even trend.

Also, we must not forget that we have this grain policy in order to achieve stable production. I would remind you in that connection of an amendment tabled by Mr Marck, which is also a very sensible one. It draws attention to the function of the grain policy in providing a shield, for example, against fluctuations in the exchange rate of the dollar. This is something we also have to take into account when the Commission comes out with ideas such as aligning ourselves with the level of American prices.

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

Mr Mouchel. — (*FR*) I wish to comment briefly on the two reports by Mr Wettig on the EAGGF Guarantee Section.

The first of these reports based on conclusions published in 1979 by the extraordinary committee of inquiry puts forward certain recommendations in particular to improve the action taken by the Community to detect and eliminate fraud involving Community regulations. This report has been drafted strictly in the budgetary context and falls within the sphere of activity of the Committee on Budgetary Control. On the other hand, in his second report, Mr Wettig has broadened his reflections and submitted to us the broad outline of a far-reaching reform of the common agricultural policy relating to cereals.

Ladies and gentlemen, I would draw your attention to the fact that the proposals contained in the Wettig report on the budgetary cost of the CAP in the cereal sector far exceed his terms of reference since the Committee on Budgetary Control is not entitled to pronounce on the principles of the CAP, especially as the rapporteur's proposals disregard the economic realities and the situation of the market in the cereal sector.

Mr Wettig proposes that Community cereals prices should be brought closer into line with those of competing countries but this disregards the fact that our competitors also support the price of their products on the world markets.

The world market prices in no way reflect the production costs in any country of the world. Major vari-

ations in these prices constantly prove this fact. A reduction in cereal prices and export refunds would be tantamount to a deliberate reduction in the number of jobs in agriculture at the very time when our Parliament is seeking the means of creating employment in other sectors and on conditions which will inevitably be even more expensive.

Moreover, what point is there in effecting a price comparison with a dollar which is currently at its highest ever level, although it may begin to fall again from one day to the next? The underlying principles of the CAP provide for a long-term guarantee of supplies to European consumers; by causing a large number of farmers to stop production we should be infringing that basic principle. World prices would then inevitably begin to rise as they always do whenever there is a shortage, however temporary, on the markets.

We also note a distinct slackening in the growth of EAGGF expenditure in this sector due partly to a favourable situation on the world markets and partly to an effort by the Commission to improve management of the markets. I repeat, this debate must not be taken as a pretext for calling into question the principles of the CAP.

I have come to the end of my speech, Mr President. The EPD Group cannot accept the report in its present form; it is therefore proposing to the Assembly a number of amendments which we consider vital.

(*Applause*)

President. — I call Mrs Desouches.

Mrs Desouches. — (*FR*) Mr President, ladies and gentlemen, the report tabled by Mr Wettig on behalf of the Committee on Budgetary Control is surprising in more than one respect.

This text is inspired by liberal principles and advocates an agricultural policy in total contradiction with the common agricultural policy as it is today. On this point I agree wholeheartedly with Mr Mouchel. The common agricultural policy is not a liberal policy because it is interventionist and aims to support production, maintain farmers earnings and ensure fruit supplies for the EEC. What is the rapporteur proposing? I quote: 'to increase the influence of market forces and bring Community cereals prices closer into line with those of its main competitors'. In other words he is proposing that European agricultural policy should be subjected to that of its main competitors even at the risk of seeing us relegated one day to a situation of dependence. What is the meaning in the agricultural sector and in particular in that of cereals, of the influence of market forces or prices of our main competitors when we know very well that world prices are artificial, that products or producers are directly or

Desouches

indirectly subsidized and that world prices are in fact more often than not the price of American surpluses? Of course the common agricultural policy costs a lot of money but it is fully justified if we wish to pursue an independent policy.

May I also point out how strange it is, to say the least, for the Committee on Budgetary Control to be using purely financial arguments as a reason for proposing such far-reaching changes to the common agricultural policy. I personally dislike the relationship drawn in the recitals between the advocated savings and the resolution on world hunger. If we wish to assist the countries of the Third World I think it is preferable to maintain our production capacity so as to prevent the United States from abusing its power. Some Members have advocated the creation of a European export agency which could play a stabilizing role on the pattern of the ONIC in France — a role whose importance everyone would accept.

Following the same reasoning, the report proposes that the problem of substitution products for cereals should be solved by aligning the price of cereals on that of substitution products. However, it is not necessarily a good solution to reduce Community prices so as to increase competitiveness. There are two competing products: manioc and gluten. As regards manioc, Thailand and the multi-nationals have a net margin sufficient to enable them to reduce prices further. In the case of gluten it would be sufficient for the United States to increase the existing subsidies for the price ratio with Community cereals to become unfavourable again. So as not to seem entirely negative, may I point out that we support the improvement of the quality of certain cereals and believe that it is indeed desirable to encourage producers to grow wheat of higher quality and varieties which are easier to store just as it is desirable to eradicate irregularities. However, I do not find the tenor of the report as a whole acceptable.

IN THE CHAIR: MR KLEPSCH

Vice-President

President. — I call Mr Marck.

Mr Marck. — (NL) Mr President, I would like to emulate Mr Aigner in congratulating Mr Wettig on his report even though I have grave reservations about its underlying theories and standpoints.

At the outset I would like to draw attention to the fact that the procedure followed by Mr Wettig is contrary to that which was agreed in the Committee on Budgetary

Control. In that committee it was agreed that all elements which seemed to indicate the need for a reform of the CAP should first be submitted to the Committee on Agriculture for its opinion. I note that the final resolution contains no reference to the above committee, which amounts to a flagrant violation of the agreement. As a result, I have tabled a number of amendments of a purely procedural nature.

As to the content of the report, I am forced to remark that it is singularly silent on a number of areas of the CAP. It refers to payments and ignores the income side of the policy as a result of Community levies on imported cereals. This commission is all the more striking and is a reflection on the report as a whole when one realizes that the balance between income and expenditure was positive in the Community's favour until 1979 only to fall into the red during the past two years.

Likewise the report takes no account of, and makes no reference to, the principal aim of the CAP as defined in the Treaty of Rome, namely that of guaranteeing Community farmers a reasonable income. Mr Wettig seems to forget that, if cereal farmers experience a fall in their incomes they will lose no time in switching to other crops which will in time cause great hardship to smaller farmers, the end result of which will be even greater unemployment. Mr Wettig does not ask the more pertinent question as to the desirability of these short-term consumer benefits as a result of low cereal prices and whether this will not ultimately lead to an even greater Community dependence in our food supplies.

The report takes just as little account of the recommendations on agricultural prices which were adopted by the House. As a result, the European People's Party has tabled a number of amendments on this point.

Finally, I would like to indicate a number of contradictions in the report, of which the comparison with the United States is but one. Given the enormous differences in the cost structures of both systems it is quite impossible to compare agriculture in the United States with that in Europe. Any comparison which fails to take account of cost structures within each system must be considered invalid. Here, too, we have tabled a series of amendments.

(Applause)

President. — I call Mr Delatte.

Mr Delatte. — (FR) Mr President, ladies and gentlemen, the Wettig report is obviously difficult to present because it is a critical report; however, I should like to draw the attention of our colleague to the fact that the proposed changes to the organization of the market in cereals are misguided and to my mind dangerous

Delatte

because they refer solely to the savings which might be made on certain items without dealing with the market as a whole. We have now become just self-sufficient in cereals products thanks to the efforts made to increase production. At the same time we have improved our production costs and this point needs to be stressed: 15 years ago the European cost price was 50% higher than the US price but the difference today is only 15%. We must persevere on these lines but we shall not succeed if we discourage cereals producers through arbitrary decisions.

May I add that Parliament should not contradict itself. Last year in the debate on farm prices we stood out against any arbitrary link between the price of Community cereals and that of cereals grown by our competitors. The Wettig report proposes a contrary attitude which does not take account of economic reality. That is unacceptable.

Moreover, let us be quite clear that imports of substitution products will not be reduced by lowering the price of fodder cereals. The more we lower our prices the more exporters will lower theirs, since world market prices for agricultural products are artificial dumping prices. The result for the developing countries would be a dramatic reduction in their earnings since they sell these substitution products. If they practice self-limitation and are able to sell products at a reasonable price, these countries will still have the possibility of increasing their food crops which are at present in such cruelly short supply.

Mr President, that is the reason for the amendments which I have tabled. Unless the Wettig report is thoroughly amended, my group will be obliged to vote against it.

President. — I call Mrs Nikolaou.

Mrs Nikolaou. — (GR) Mr President, I too would like to refer to the Wettig report. It is logical for the Community to aim in the longterm to strengthen branches and sectors of its economy that are, or that can become internationally competitive so that their functioning will not be based on perpetual subsidies and hence on a permanent burden upon the social whole.

Of course, this principle is differentiated in the case of products of strategic importance or for the maintenance of populations in disadvantaged regions. In this spirit the Wettig report, considered from the budgeting standpoint, is a fragmentary approach to the problem of supporting cereals within the Community. Any reduction in the agricultural expenditure or reallocation of resources in the agricultural sector should take place within the framework of a more general review of the CAP, which would also take account of the needs of an enlarged Europe. Beyond this, however,

the measures proposed by the Wettig report are likely to hit, in particular, those regions within the Community with the weakest structures, at the levels of both production and trade.

To be specific: firstly, the convergence of Community and international prices will hit mainly the smallholders of the southern regions.

Secondly, the exclusion of lower qualities from intervention in the event that this should mean a modification of the lowest prescriptions for intervention, will have a negative effect on the incomes of small producers in the disadvantaged areas, granted that they will be obliged to supply a greater proportion of their production outside the limits of intervention, with the consequence that the purchase prices will be disproportionately reduced. The aim of improving quality could be achieved by a more pronounced differentiation of the prices in correlation with the quality.

Thirdly, the review of the measures for short-term intervention and for the monthly supplements will also have negative repercussions on prices, and hence on the incomes of producers, granted that with the measures proposed the producers will be deprived of the incentive to store their products with a view to getting a better price for them.

In conclusion, we wish to stress that the production of hard grain is a basic factor of income in the less favoured regions of the Community, both mountainous and not mountainous. The abolition of support particularly in these regions cannot be countenanced unless different measures are established in advance to counteract the negative consequences. The amendments we have submitted aim precisely to take into account the special characteristics of such regions when applying the measures proposed by the Wettig report.

President. — I call the Commission.

Mr Tugendhat, Vice-President of the Commission. — Mr President, I listened very attentively to the rapporteurs who presented reports on the discharge for the 1980 financial operations of the European Coal and Steel Community, together with draft resolutions concerning the Joint Research Centre, the follow up to the discharge for the 1979 budget, the EAGGF Guarantee Section and the budgetary costs of the CAP in the cereals sector. That is quite a wide range of subjects and I will endeavour in my speech to cover a number of the points which were raised. But, inevitably, in a debate that has ranged as widely as this and one which has also given rise to a number of points both in the reports, the answers and in the speeches to which I have to give specific answers, it will not of course be possible for me to cover everything.

Tugendhat

But I would like to begin by thanking Mr Aigner for his extremely generous comments. As he says, we have had a long association together, it has had its ups and downs but regardless of the agreements and disagreements that have characterized it, we have always tried to take the discharge procedure as seriously as possible. He and I have always agreed that it ought to receive more attention in the Parliament than has hitherto been the case, and I am grateful for his remarks which I shall certainly pass on to those officials of the Commission who are not present, notably of course the Director-General of DG XIX, Mr Strasser, but also the officials of Directorates-General other than his. I will of course also bear in mind the points he made about the necessity for a speedier response in some respects, and I am sure that they too will do so. We will attempt to ensure that the appropriate selectivity is imposed on conveying that message to various people.

Mr President, the Commission also wishes to thank the rapporteurs for the work which they have produced and I would, in particular, like to address my thanks not just to Mr Aigner, but also to the Committee on Budgetary Control for the considerable amount of work that has gone into these reports.

I would like to start with Mr Irmer. I start with him partly because he is dealing with the follow-up to the 1979 discharge decisions and therefore comes as it were first in point of time, but also because the report which he has issued is so very positive. The tone is struck in the first paragraph of the draft resolution where Parliament is invited — and here I quote — ‘to express its satisfaction with the fact that the follow-up given to the 1979 discharge decisions by the Commission — whose constructive attitude must be stressed — has reinforced both the political nature and the legal and accounting significance of the discharge procedure’.

Mr President, with words such as these there is little need for the Commission to comment further on the 1979 follow-up. I would, however, like to comment on a few specific points relating to the general budget raised in the draft resolution by Mr Irmer because I certainly owe him that, as well as owing him my thanks for what he was kind enough to say.

Mr Irmer refers to the safeguarding of the financial autonomy of the Community. In this connection, I would like to recall that last July the Commission laid before the Council and Parliament the report under Article 22 of the Regulation applying the decision of 21 April 1970, concerning the replacement of financial contributions by own resources. This report included proposals for revising the regulations. Consultations with Parliament were begun and Mr Notenboom, I believe, intends to report on that progress quite soon. This will be an opportunity for a thorough study of the aspects raised by Mr Irmer.

The Commission's proposals include the possibility of the Commission proceeding to make control visits under its own responsibility rather than in association with the Member States. The Commission had also proposed that assets held on its accounts with the Member States' treasuries shall henceforth bear interest to the benefit of the Community. Furthermore, the Commission has taken up again its proposal for the revision of the Financial Regulation — which dates from December 1980 — an earlier proposal which had not been adopted by the Council allowing the financial autonomy of the Community to be significantly strengthened.

This strengthening should, in the Commission's view, occur by replacing the present requirement to correct the revenue of the current financial year by the addition of the positive balance from the preceding year with a new provision having the effect of making this balance available for the second consecutive financial year. Your rapporteur, that is to say the Parliament's rapporteur, Mr Simonnet, has given this formula his full support. We shall continue to make every effort for it to succeed, along with other desirable changes now being actively considered by Parliament in connection with the modification of the Financial Regulation.

More generally, the Commission is at present engaged in a thorough examination of Community financing and it intends to adopt very soon a discussion paper on which we shall seek the views of the whole Community, notably of course of this Parliament, the Council, the parliaments and governments of the Member States and, I hope, of the general public.

As regards questions relating to accounting, I am glad to be able to say that substantial progress has been made, as Mr Irmer has indeed noted. These efforts will be continued within the framework of a new Accounts Directorate to be set up in 1983 thanks to the support of Parliament which, at the initiative of Mr Aigner and rapporteur Jackson, agreed to grant the Commission a supplementary post of Accounting Director. I hope, Mr President, that that will remain Parliament's intention for the remainder of the budgetary procedure.

In the realm of development, I note that the views of Parliament and Commission are almost identical as the rapporteur, Mr Irmer, has strongly indicated. In this area, where the Commission has recently taken new initiatives, Mr Pisani has already given Parliament information. Your Committee on Budgetary Control received him a few months ago for an extremely positive encounter. The continuing support, which I know Parliament will not fail to give, will reinforce the Commission in this important action. I would not wish to leave this subject without confirming that the Commission entirely shares the conclusions of the report concerning the necessity of budgetizing the next European Development Fund. It is obviously maintaining

Tugendhat

its position on this point, and the reception structure will continue to be inserted into our preliminary draft budgets.

As far as the Joint Research Centre is concerned, the Commission has taken careful note of the points made in the report drawn up by Mr Kellett-Bowman. This report is positive in its remarks concerning the action taken by the Commission in response to various recommendations of Parliament. It also calls for further efforts to safeguard fully the interests of European taxpayers — a call which has been heeded. Parliament will be kept informed of progress through the regular contacts which we have with the Parliament both in its plenary and in its committee form, and I hope that we will be able to make satisfactory progress in this matter.

Before leaving matters related to the general budget, Mr President, I should add that the Commission is continuing to improve its working relations with the Court of Auditors. I am therefore pleased to report that virtually all the outstanding problems of a procedural nature between the Commission and the Court of Auditors in relation to the annual as well as to special reports have been resolved in a pragmatic manner.

I now come to the draft resolution of Mr Gabert. He proposes the grant to the Commission of discharge for the financial activities of the ECSC in 1980. The catching up operation which was performed by the Court of Auditors in this area was the result of great efforts to which the Commission made its own contribution. Thus the timetable for the discharge from the 1981 financial year onwards can henceforth be the same as that for the general budget and for ECSC. The draft resolution also provides for an additional report on the management of ECSC loans and borrowings, on the basis of the report which has been drawn up by the Court of Auditors. This report will give an opportunity for reviewing an important activity which rightly enjoys an excellent reputation on the financial market. The grant of a discharge for 1980 is useful from that point of view as well. The Commission has noted Mr Gabert's remarks concerning late payments and will continue its efforts to overcome that problem.

I come finally to the reports of Mr Wettig concerning the cereals sector. These are significant reports dealing with an important sector. Many points were raised, a number of which have either been responded to by the Commission in earlier proposals or are the subject of continued active consideration by the Commission. Here I am thinking in particular of the co-responsibilities thresholds, the closing of the gap between cereal prices in the Community and those of other major producers as well as changes in the price hierarchy in the Community. Mr Wettig also calls for early dismantlement of the MCAs subject to greater convergence being achieved between the Member States. The

Commission goes along with this but would point out that a prudent price policy and continued monetary evolution limits the extent to which MCAs may be reduced, especially for strong currencies.

The Commission does not, however, share Mr Wettig's views on all points. In particular, we do not believe that it would be in the Community interest for cereals exports to be regulated in the manner he suggests. An export policy cannot be pursued sporadically, geared exclusively to price changes, but requires — as is the case in the main exporting countries — continuous action aligned on the real scope for sales in importing countries. Any other attitude would, in the present conditions on the external and internal markets, inevitably entail a build-up of stocks the cost of which would be added to the refunds which, sooner or later, must be found to ensure their disposal.

Moreover the Commission is in favour of a cereal stockholding policy organized at an international level — a responsibility that cannot be carried by the Community alone. Finally on Mr Wettig's report the Commission also believes strongly that there are good reasons not to remove monthly price increments, nor to harmonize the structures of intervention agencies. Specifically, on the price increments, their objective is to allow private storage, so that abolition of these increases would lead to very heavy intervention early in the marketing year entailing budgetary costs that could otherwise be avoided.

Mr President, I would also like just to deal with one or two points which have been made by other speakers this afternoon. Parliament should take note that in several important areas the explanatory memorandum is not in accordance with the draft resolution. As far as the various draft amendments are concerned, the Commission has no particular comments to make except for numbers 2, 7, 8 and 14. These amendments, all in various ways, cast doubt on the wisdom of a progressive alignment of Community cereal prices upon those of our main competitors. I would simply like to recall that this alignment constitutes a central role in that part of the Commission's mandate report dealing with what we believe to be the requirements for a healthy development of Community agriculture. This, Mr President, brings the Commission to the end of its comments on the various valuable and interesting reports now laid before the House and the comments on them. But the Commission would like to point out that it feels that the debate lacks an important component — namely, of course, the discharge for 1980 which has again been put off. Perhaps a decision early in 1983 will be possible especially as the run-up to the 1981 discharge will be getting under way fairly shortly and I cannot help feeling that it would be undesirable from the point of view of the good order and management of our affairs if two discharge procedures for two separate years were in progress at the same time.

President. — The debate is closed.

President

The vote will take place at the next voting time.

10. *Commission's failure to act on a resolution of EP*
(continuation)

President. — The next item is the continuation of the debate on the oral question by Mr Prout (Doc. 1-640/82).

I have received a motion for a resolution tabled by Mr Prout, on behalf of the European Democratic Group, with request for an early vote to wind up the debate on this oral question (Doc. 1-899/82).

The vote on the request for an early vote will take place at the end of this debate.

I call Mr Kirk.

Mr Kirk. — (DA) Mr President, I think everyone in this Chamber can agree that it is crucial for the economic and political independence of Western Europe that the European Communities be preserved and extended. Up to now we in Parliament have concentrated on convincing the Council of Ministers and the governments of the rightness of this thinking. We have adopted many reports and amendments on the relationship between the institutions, we have set up committees to draft a new and improved treaty, and in countless debates and questions to the Council of Ministers we have pressed for the Community to be brought out of the impasse.

We have a saying in Denmark: 'a bird in the hand is better than ten on the roof', and if we are to review our efforts since the direct elections in 1979, we have to admit that we have concentrated on the ten birds on the roof and that the results of our efforts are very meagre. Today's debate is therefore very important. It began yesterday, we heard Commissioner Andriessen yesterday, and I was very pleased with what he had to say. But the debate is precisely about the bird we have in our hand. It is about the powers the Community has been given which can be used by the Commission without having to go to the Council of Ministers and establish the unanimity between the 10 countries which it is so difficult to get these years. It is not merely a question of administration, it is largely one of politics. When it says in Article 92 of the Treaty that any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall [as a fundamental principle] be incompatible with the common market, this is a rule which it is for the Commission to apply and its application is crucial to economic policy in the common market. And when it says in Article 30 of the Treaty that quantitative restrictions on imports and all measures having equivalent effect

shall be prohibited, again we have a rule the application of which depends solely on action by the Commission and can be absolutely crucial to free trade between the Member States.

Three weeks ago the Court of Justice of the European Community handed down a judgment according to which clear operative rules in Community trade agreements with third countries are directly applicable in the Member States. The Court of Justice thus established the Community's competence and authority in the field of trade policy. It is not the first time the Court of Justice has emphasized the scope of the Treaty's provisions. In a long series of judgments the Court of Justice has determined that the Member States must comply with the requirements of the Treaty on the right of establishment, free trade and fair competition. But it is also typical that practically all these cases have been brought by private individuals or firms and not by the Commission. The Commission has hitherto shied away from applying the Treaty to the full in the areas in which it has authority to do so, and that is dangerous for the Commission, for it means that it has successively relegated its role to that of a secretariat answerable to the Council of Ministers.

But if that is what has happened, it is also Parliament's fault. According to the Treaties, Parliament is the democratically elected institution whose task is to supervise the Commission and verify that it is making political use of its powers. That is our task and that is one of the things we have to answer for when we get to the next elections in 1984. Let today's debate therefore be the starting signal for cooperation between Parliament and the Commission. Let us make it our aim to implement all the provisions in the Treaty which only the Commission, with our assistance, can put into effect. It is our hope that we shall be able to achieve that aim.

May I say finally that Commissioner Andriessen yesterday mentioned that one of the problems is understaffing at the Commission. I would strongly urge the Commission to reallocate priorities and give Mr Andriessen the team needed to enable us to make proper use of the powers the Commission has been given in those areas I have referred to. It is a question of setting priorities for the resources we have at our disposal, and I hope very much that all Members of the Commission will realize that this is of the utmost importance.

President. — I call the Commission.

Mr Andriessen, Member of the Commission. — (NL) Mr President, I would like firstly to comment on the remarks just made by Mr Kirk and secondly on the resolution with a request for urgent debate which has, if I understand correctly, just been introduced. A few remarks on my part should prove quite timely, as

Andriessen

the House can be in no doubt as to my feelings on the matter.

As far as Mr Kirk's comments are concerned I can only deplore his repeated contention that the Commission has become a servant of the Council. Leaving aside the fact that the Commission could do more to avoid giving this impression — and I trust the House takes note of my cautious formulation — I feel that a number of modifications are in the offing and they should have the effect of removing these points of contention. I trust, and indeed I am convinced that in the forthcoming critical discussions we shall be having on such issues as own resources, institutional development, Community enlargement, the Commission can leave a different impression.

Mr President, I fully appreciate that Parliament has to go before its electors in 1984 and be accountable to them for its action. I understand Parliament's motives in basing this responsibility on the success it has had in controlling and supervising the Commission and I can well imagine that Mr Kirk's statements in this context have found their echo in the draft resolution which Mr Prout has just submitted. This resolution invites — the formulation is my own, Mr President, for I dare not use the dreaded word contained in the resolution, 'instructs' being somewhat less mild in tone — the parliamentary committees, in discussion with the Commission to examine ways in which the executive powers of the Commission could be extended. Mr President, I look upon this draft resolution as an exhortation to Parliament to elaborate a set of priorities with the Commission in the same spirit as that expressed by Mr Prout in his speech last night and as a stimulation to the Commission to consider Parliament an ally in this area too. Mr President, it is sometimes said that criticism among friends is often better received than among enemies and I shall choose to interpret the implicit or explicit criticism which has been voiced in this debate in such a context, as a Member of a Commission which sees itself as an ally of Parliament in our combined efforts to assure the Community of continued progress.

President. — I call Mr Prout.

Mr Prout. — Mr President, I would like first of all to thank Mr Andriessen very much indeed for his last remarks. He has responded to this oral question with debate very constructively, and I look forward to a continuing dialogue on the way in which the Commission uses its executive powers. He said that the question I tabled, and the remarks I made in my speech, were rather critical of the Commission. That may have been true, but they were equally critical of Parliament. In my view Parliament has not used its supervisory powers over the Commission sufficiently to make sure that the Commission uses *its* executive powers to establish a proper common market. So we are as deeply implicated as you are, Mr Commissioner.

One final observation. In the course of my speech I mentioned the control of the Commission's delegated legislative powers by the Parliament. Now I am not suggesting that we should be consulted formally. I am simply asking that Parliament and the Commission get together to work out a procedure whereby we can have a look at draft delegated legislation before it is finally enacted. I am suggesting that if the committee responsible for the subject-matter of that legislation feels that Parliament ought to have a debate on it, it should be entitled so to recommend. I am not suggesting that there should be some new consultation procedure super-imposed on the ones that already exist. I am quite sure, Mr Commissioner, that this is a matter which can quite easily be negotiated between the two institutions.

(Parliament agreed to the request for an early vote)

President. — The debate is closed.

The vote will take place at the next voting time.

11. *Central America — Non-associated developing countries*

President. — The next item is the report (Doc. 1-784/82) drawn up by Mr Michel on behalf of the Committee on Development and Cooperation on

- I. the communication from the Commission of the European Communities to the Council concerning special action in favour of the economic and social development of Central America (COM(82)257 final),
- II. the proposal from the Commission of the European Communities to the Council (Doc. 1-559/82 — COM(82)481 final) for a decision completing the general guidelines for 1982 concerning financial and technical aid to non-associated developing countries (Doc. 1-784/82).

I call Mr Bersani, who is representing our deceased colleague.

Mr Bersani, deputy rapporteur. — *(IT)* Mr President, ladies and gentlemen, it is with emotion that I prepare to take up the task of our lamented colleague Victor Michel in presenting this report to which he dedicated, as in so many other cases — in his reports on world hunger and on the defence of the rights of ACP workers in Europe, for example — an attention stemming from a great sense of dedication and responsibility.

With your permission, Mr President, after the words spoken yesterday by Mr Dankert in memory of our colleague, I will mention his generosity and loyalty,

Bersani

his rare selflessness and consistency, his ability to speak with particular effectiveness on people and problems. His last report as well is part of his effort in the service of the high idea of solidarity to which he, as a unionist, a worker, a volunteer for development in Africa, and finally as a Member of Parliament, offered all his energy.

The present report concerns the Commission's proposal of a special measure for economic and social development in Central America and a Council decision on the consequent completion of the general guidelines for 1982 concerning financial and technical aid to the non-associated developing countries.

Barely a month ago, on 14 October, in adopting the resolution contained in Mrs Wiczorek-Zeul's own-initiative report on the situation in Central America, our Parliament had occasion to hold a broad discussion on conditions existing in this sensitive part of the world. By a large majority, Parliament called for increased and more specific action in the region, as had already been requested both for the EEC and for the individual Member States by the European Council which met on 29 and 30 March of this year.

The Commission's current proposal, confirming the need for a greater Community presence in Central America, suggests concrete measures aimed at making a significant contribution toward strengthening economic autonomy and improving social conditions. The proposal states that it is here a question of a temporary intensification of development activities on the part of the Community, which does not intend to take any long-range action at present, even though, given the structural nature of the situation in question, such action seems to us not only desirable but necessary.

In view of the development of the relationship existing between the countries of Central America and the EEC since 1967, and its recent consolidation in the periodic talks of the Commission with the SIECA (Permanent Secretariat of the General Treaty on Central American Economic Integration) and the Central American group of Heads of Mission, formed in Brussels, this proposal is part of a consistent approach, similar to that adopted with the countries of the Andes Pact and to that implicit in the other Community choices in this part of the world.

The scope of this discussion and the brevity of the time available lead me to proceed immediately to the examination of the essential content of the proposals and of their meaning.

First of all, the nature of the special measures. The suggested programme has two parts. The first corresponds to the need to grant immediate aid, and is inspired by our concern for the fight against hunger, at the same time attempting to create the matching funds to be used for measures of development.

The second part of the programme is aimed on the other hand at an in-depth action, particularly directed at those countries which have committed themselves to carrying out agrarian reforms, thus dealing with the most delicate aspect of the social and political structural difficulties existing in the greater part of this region.

The modest scope of the planned complementary financial measures, which the Commission intends to fund by means of a transfer on Article 930 of the amending budget, makes it advisable to intervene in only one sector, and that a decisive one for the situation of political and economic instability prevalent in this region. These are choices and criteria which, as the Michel resolution maintains, deserve to be strongly supported, with the hope that the Council, overcoming the remaining difficulties, will make the necessary operative decisions as soon as possible.

The Commission's proposal, in view of the relative inadequacy of the funds compared to the growing seriousness of the situation, serves as a complement to other measures, in a wider context which, excellent in itself, still seems to raise many questions. In particular, there is the matter of the relationship with the bilateral measures of the Member States, which up to now have been reluctant notwithstanding the often-repeated declarations of good intentions — to accept concrete commitments of harmonization. There is also the matter of the relationship to other international bodies, especially desirable from the viewpoint of co-financing. These are objective criteria with which our Parliament has always demonstrated its agreement, and for which it has even made specific requests.

In connection with the financial aspects of the programme, we stress the need for a firm coordination of the three financial instruments planned: the resources made available by the transfer already mentioned; the matching funds I referred to above; the appropriations normally available for technical and financial aid in non-associated developing countries.

In particular, our Parliament must call for the implementation of all measures necessary to ensure that the combined use of these funds is carried out in conformity with the objectives of the programme.

The action of the Community in the Caribbean region, pursued in close cooperation with the countries of that area, signatories of the Lomé Convention, and in connection with action carried out on the basis of the Treaties in many other territories and islands, has permitted us in recent years to make experiments in the field of cooperation in development in regions close to Central America. This is another factor in favour of a particular European commitment in this part of the world, whose democratic development, which should respect incontrovertible human rights too often brutally violated and be based on needed and ever more urgent economic and social reforms, appears increas-

Bersani

ingly essential for international peace, for that broader design of global North-South collaboration to which our Community, in its regional initiatives as well, should feel itself increasingly committed.

(Applause)

President. — I call the Socialist Group.

Mrs Dury. — *(FR)* Mr President, on behalf of the Socialist Group, I too wish to pay a last tribute to our colleague, the late Mr Victor Michel. As Socialists we always appreciated his open-minded approach, his political consistency and his loyalty. He was not a Member of the Socialist Group but we welcomed discussions with him because he was always open to our ideas. I personally wish to say that Mr Michel was not simply a colleague but also a long-standing friend; he was an example of a particular way of being a politician.

The report which he presented to us on the special programme for Central America and aid to the non-associated countries comes at a time when world tension has never previously given rise to such uncertainty, instability and threat for the future. This is particularly true for Latin America and above all Central America, a region which is close to us in cultural terms but for which political and economic intervention by Europe has never been clearly defined or implemented. The special programme of aid for Central America is most necessary and topical. It is based on two observations.

Firstly, recognition of the fact that there can be no stability in this region as long as glaring social injustice continues together with a situation of economic dependence, as long as the arrogant prosperity of some is based on the terrible exploitation of others.

The second observation is that the international community has certain responsibilities and Europe must assume those which are incumbent upon it.

In proposing this programme, however modest it may be when measured against the problems which arise, the Community has taken a positive initiative which is all the more important as the logic chosen is that of supporting immediate specific projects which can bring about far-reaching structural changes. The sector chosen is that of agrarian reform and the beneficiary countries and projects have been selected in relation to the ability and determination to carry them through. We feel bound to approve this approach but consider that all suitable precautions must be taken to ensure that it is respected. We therefore stress the need for strict control to verify that the targets of the programme are actually achieved.

The fact is that too many agrarian reforms have been decided upon only to remain a dead letter. Too many

such reforms have been screens to hide restructuring of agricultural production, merely serving the interest of big land-owners, established oligarchies and multinationals. Too many agrarian reforms have been undertaken without giving the peasants the means of working the land granted to them.

The action pursued by the Community must bring about changes and ensure economic and social development as a source of justice and universal welfare.

In common with Mr Michel and Mr Bersani I also wish to stress the need for coordination with bilateral programmes and projects.

Since the European Council in March 1982 which enable the programme for Central America to get off the ground and was a first step towards the definition of a common policy in Central America, it seems to me that too little time has elapsed for us already to expect to see convergence on the spot. Coordination must therefore be set in motion and developed when this programme comes to be implemented.

In conclusion, I note with regret that the problem of the choice of beneficiary countries has not yet been solved. At present Nicaragua is the only country to have begun genuine agrarian reform but it is this very country which is the subject of dispute.

Last week's edition of *Newsweek* and the *Sunday Times* of 14 November contained fresh reports on the United States aggressive projects against Nicaragua aimed at the destabilisation of this region. Mr President, it seems to me that if we do not opt for this country but leave it in the balance, instead of pursuing constructive and original activities in Central America we shall merely be the uninspired vassals of the United States.

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

Mrs Rabbethge. — *(DE)* Mr President, ladies and gentlemen, it is with sorrow, but also with pride that I today comment on behalf of my group on the report on Central America drawn up by our colleague Victor Michel. He was a kind man and a fraternal friend, who, as Mr Bersani has already said, drew up this report with all the passion and feeling for the poor, the needy and the oppressed of this world which he devoted to everything he did. I see him before me, with his shock of white hair, calling to me: '*Ma chère sœur!*' His report was unanimously approved by the Committee on Development and Cooperation, and I believe we can also adopt it unanimously here in this Chamber. Why?

Central America is another serious challenge for the European Community's development policy, because

Rabbethge

it has long been an extremely worrying trouble spot for the world. There is a great need for the Western camp of parliamentary democracies to be strengthened and for an improvement in its reputation in the Third World as an opponent of right- or left-wing authoritarian and dictatorial alternatives. Realistic action must be taken to this end, but our judgment must also be balanced.

The very fact that in the last 150 years the countries of the European Community have not been involved in action taken by the USA, often on security grounds, and are not therefore handicapped and that historical factors mean that the European Community has a greater understanding for the peculiarities of the traditions and cultures of Latin American societies — in a word, *Hispanidad*: I apologize to the interpreters, but I do not know of a good translation in my own language — the Western European countries can help to ensure that the image of parliamentary democracy is not sullied by occasional brushes with the USA.

The European Community can also, when appropriate, act as the champion of Central American interests without quarrelling with its ally, the United States.

There is a need for differentiation and calm. But this also entails uncompromising insistence on respect for human rights, tolerance and a humane way of life especially adherence to political pluralism as an indispensable feature of democracy.

This must be made clear to traditional right-wing dictatorships in Guatemala and Haiti and to the new Marxist-Leninist rulers of Nicaragua alike. Anyone who is really familiar with the countries of Latin America — El Salvador, Honduras, Panama, Guatemala, Nicaragua, Costa Rica, Haiti and the Dominican Republic — and not just from two weeks of a package tour organized by the political authorities, but from years of living and working there, will have no difficulty in realizing that the constructive programme now proposed by the Commission and Mr Michel's report can be a realistic first step towards a new kind of long-term Community action.

It would be completely wrong to export our European dispute over priorities or confusion of terminology — 'more market here' as against 'more social reforms there' — to Central America. Even the term 'Christian Democratic' means something slightly different in Central America, just as 'Social Democrat' or 'Socialist' may mean something different there from what we understand by these terms in Europe. In this context, I very much welcome the decision taken by the Socialist International, according to press reports, to remain more aloof from the so-called liberation movements in Central and Latin America in future.

The expert report drawn up by Mr Michel, who, like myself, had lived and worked in these Central American countries and, like myself, had witnessed civil wars

and seen groups spurred on by right- and left-wing ideologies murdering and plundering, prompts me to recall Central America's first democratic President, the Mexican Benito Juarez. Born an Aztec, brought up as a Christian by the Dominicans, trained as a lawyer at university, he became the most senior judge in the land and finally Mexico's democratic President, after Emperor Maximilian. Benito Juarez' words, now carved into the wall of the congress building in Mexico, are food for thought for us Europeans and for his compatriots in Central America: *El respeto al derecho del ajeno es la paz para todos* — respect for the rights of others means peace for all.

President. — I call the European Democratic Group.

Mr C. Jackson. — Mr President, I would first of all like to associate my group with the tributes paid to Victor Michel. His dedication to improving the European Community's work in favour of developing countries was outstanding. But that apart, we shall very much miss him for his kindness and the warmth of his personality.

Mr President, there is always an urgency in development matters, but in this case the urgency is, on the one hand, because we wish the money to be spent in the 1982 budget and, on the other hand, based on reasons that are essentially political. This is an essentially political proposal, and my group entirely agrees with the assessment that the tensions in Central America justify concern and, so far as the Community can provide it, action to help remove the causes of that instability. We certainly hope that the European Community can act as a stabilizing and neutral influence in Central America and we support the proposal.

However, Mr President, I must express one grave reservation and concern about the proposal. We feel it most important that Community aid should not be used to prop up unsavoury regimes, and I refer here to Nicaragua in particular. I would like briefly to share with the House some information about the situation there.

Firstly, Nicaragua has a Marxist military regime. The military build-up there is being aided by the Soviet Union, the Comecon countries and Cuba. There are many thousands of so-called Cuban 'advisers' in the country. Secondly, Nicaragua is high on the list of countries that do not respect human rights. The regime there is repressive towards the Church. It has this year severely limited free speech. It has introduced bans on meetings, severe press censorship and restriction of civil movements. Thirdly, such is the Nicaraguan oppression of the Miskitos American Indians that 12 000 of them are now refugees in nearby Honduras, and since May this year a further 3 000 other refugees have crossed to Honduras. Now is land reform, I ask Mrs Dury, going to be based on chasing people off

Jackson

their lands? I believe that European Community aid to this regime should be restricted solely to emergency aid, and I wish to ask the Commission if it will agree to re-examine those parts of its proposal that pertain to Nicaragua.

Mr President, I have dwelt solely on my reservations about this one country because I believe those reservations are of real importance. That apart, my group supports the report and the proposal, and we hope that it can be put into effect with all rapidity.

President. — We will break off the debate here. It will resume tomorrow at the end of the agenda after the statement by Commissioner Richard.¹

I cordially welcome from the Council a former colleague of this House, Mr Kofoed.

(Applause)

I call Mr Balfe.

Mr Balfe. — Mr President, further to the interventions made yesterday, has not the President given consideration to the motion submitted by Mr Enright and others for urgent debate on the reorganization of the Secretariat? I understood that this was going to be reconsidered and that we would be debating this matter, which threatens to abolish the rights of backbench Members in this building to have any access to what is going on in the place. I would have expected you to have read this motion out as one of the motions for urgent debate.

President. — The President announced this morning that this motion was not admissible. Furthermore, the meeting of Group chairmen has drawn up the list of urgencies. Parliament will vote on them tomorrow.

12. Votes²

LINKOHR REPORT

(Doc. 1-654/82 — Research)

President. — I call Mr Markopoulos.

Mr Markopoulos. — *(GR)* Mr President, I am very much afraid that it will not be possible to vote on the Linkohr report because not all the amendments have yet been translated into all the languages. In particular

I would remind you that during the morning sitting, when this was mentioned by Mr Linkohr, the President decided that unless all the amendments had been distributed in all the languages by 1 p.m., the voting would be postponed until tomorrow. At 1 p.m. only the last six amendments were available in Greek translation.

President. — Mr Markopoulos, I appreciate your observation. However, if we do not vote now there cannot be a vote tomorrow morning but only on Thursday.

Certainly, in view of the many amendments to the different reports it is extremely difficult for our translators to provide the documents in all languages in compliance with the deadlines. I know that our Greek colleagues are particularly affected. I ask you therefore whether you are none the less prepared to vote.

Mr Markopoulos. — *(GR)* Mr President, I regret that I must insist. There are only 27 amendments on 62 Articles. This is not a large number. Of these, six amendments are essential for us.

President. — The vote cannot therefore take place before Thursday.

I call Mr Purvis on a point of order.

Mr Purvis. — Mr President, I have here Amendments Nos 22 to 27 in German. I gather they originated in Greek and I am therefore rather surprised at Mr Markopoulos' objections, but they are not available in English yet. I wonder if they were, in fact, tabled before the agreed deadline, i.e. before Friday noon, because it does seem an abnormal amount of time to take to translate them. However, in any case we cannot vote Amendments Nos 22 to 27.

SCHMID REPORT

(Doc. 1-799/82 — Metrology)

President. — I call the Commission.

Mr Davignon, Vice-President of the Commission. — *(FR)* Mr President, in our discussion this morning on the three proposed amendments I may not have made myself sufficiently clear on the first as regards the personnel required for this programme. I wish to say unequivocally that, regardless of the text that may be finally adopted, the Commission is willing to discuss again with the Committee on Energy and Research the precise procedure to determine the number of staff and their qualifications.

Proposals for decision — Article 2 — Amendment No 1

¹ Topical and urgent debate (Announcement of the list of subjects to be included) — Speaking time: see Minutes.

² See Annex.

Mr Schmid, rapporteur. — After the statement by Mr Davignon, after consultation with the chairman of the Committee on Energy and Research and by arrangement with the coordinators responsible for research policy in the major groups of the House, I withdraw Amendment No 1.

WETTIG REPORT

(Doc. 680/82 — Cereals)

After adoption of the motion for a resolution

President. — I call Mr Mouchel.

Mr Mouchel. — (FR) Mr President, I am sorry, I asked to speak before the vote to give an explanation of vote. I wanted in fact to remind you of the speech which I made this afternoon on behalf of the EPD Group when I drew the attention of our Assembly to my view that it was not the responsibility of the Committee on Budgetary Control to consider basic problems of the common agricultural policy, particularly in regard to cereals.

(Applause)

I also wanted to point out that this was the main reason for which our group would be obliged to vote against the report.

We also tabled a number of other amendments which were rejected; that is why, Mr President, I should have liked an opportunity to state before the vote that our group was opposed to the very principle of taking this vote because we consider it extremely dangerous to have adopted a report of this kind — dangerous for the future of the common agricultural policy and for our farmers.

(Interruptions)

Mr President, is it possible to request a fresh vote following the explanations of vote?

President. — No, I cannot do that. Your Group has communicated to me the cancellation of your explanation of vote. I would ask you to get in touch with your secretariat. Furthermore, the vote has already been carried out, and I allowed you to give your explanation after the vote only because of the obvious confusion that prevails.

I call Mr Curry on a point of order.

Mr Curry, chairman of the Committee on Agriculture. — Mr President, may I simply remind the House that we have just voted on a substantial report on the cereal sector. Mr Mouchel himself will present a report in

two days which has a section on the cereals sector. Without wishing to pass judgment on the respective merits of the two reports, this House would look rather silly if we were to come up with opposite votes on the same sector which are intended to be guidelines to the Commission in their price proposal and will be seen as guidelines to the Commission. Could I ask you simply to reflect, Mr President, upon the problem which contradictory votes on the same subject might pose for the reputation of our House and our constitutional function.

(Applause)

President. — The House will certainly do that. Your appeal will contribute to this and we hope that everyone is clear about what he is voting on.

PROUT MOTION FOR A RESOLUTION (Doc. 1-899/82 — Commission's failure to act)

President. — I would ask our Italian colleagues to bear with the fact that the text is not available in their language. I trust they will have no objection to voting.

I call Mrs Van den Heuvel.

Mrs Van den Heuvel. — (NL) Yes, indeed, Mr President, I am by no means an Italian Member and so I would kindly request you, on behalf of the Socialist Group, to agree to a postponement of the vote because a number of our colleagues have not had an opportunity of studying the text.

President. — As I have already said, if a Member of the House raises an objection the vote cannot take place before Thursday.

I call Mr Clinton on a point of order.

Mr Clinton. — I wanted to get in on a point of order, Mr President, to ask if it was in order to allow the chairman of the Committee on Agriculture to make a statement such as he has made. We are asking this whole Parliament to vote against the Mouchel report which we in the Committee on Agriculture voted for. I think it was an extraordinary intervention, if I may say so.

President. — Naturally, if I had known what Mr Curry was going to say I would not have asked him to speak, but let us regard it as a relevant observation.

(The sitting was closed at 7 p.m.)¹

¹ Agenda of the next sitting: see Minutes.

ANNEX

Votes

The verbatim report reproduces in the Annex the rapporteur's opinion on the various amendments, together with explanations of vote. For details of voting please refer to the Minutes.

DONNEZ REPORT (Doc. 1-832/82 — Parliamentary immunity): ADOPTED

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**VAN AERSSSEN MOTION FOR A RESOLUTION (Doc. 1-860/82 — GATT):
ADOPTED**

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**DE LA MALENE MOTION FOR A RESOLUTION (Doc. 1-866/82 — GATT):
REJECTED**

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* *

PETERSEN REPORT (Doc. 1-671/82 — Energy sources): ADOPTED

The rapporteur was

— FOR Amendment No 1

Explanation of vote

Mr Alavanos. — (GR) Mr President, we consider the problem of developing alternative sources of energy to be an important one. However, an increase in the finance available for this could come only by transferring other funds and not from additional payments — at least so far as our country is concerned. We consider particularly positive the emphasis in point 6, on the fact that a wide knowledge of renewable energy sources would be helpful to development aims, granted that it is the developing countries that are hit most severely by the energy crisis. Naturally we have our well known reservations about the great distance that separates the statements and declarations of the EEC from its deeds.

I believe that this assertion must also apply to the less developed areas in Greece. Within this framework the European members of the Communist Party of Greece (KKE) lodge a related proposed resolution for an integrated programme of development of solar, aeolian and geothermal energy in the Cyclade islands, and in other Aegean islands for the discovery of means of producing energy, which over and above their experimental character, will contribute to the economic development of the islands in question. In spite of certain more general reservations that we may have, we shall vote in favour of the Petersen report.

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SCHMID REPORT (Doc. 1-799/82 — Metrology): ADOPTED

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* *

GALLAGHER REPORT (Doc. 1-679/82 — Energy): ADOPTED

The rapporteur was

- FOR Amendments Nos 1, 2, 3 and 5;
- AGAINST Amendments Nos 4 and 6.

Explanation of vote

Mr Eisma. — (NL) Mr President, less than three weeks ago I received an answer from the Commission to my written question to the effect that it had, to its deep regret, no control whatever over energy tariffs applicable to industrial consumers because this was an area where privacy prevailed. I feel that until such time as this situation has been altered the desire for greater transparency in energy prices and for a more uniform pricing policy will remain an illusion. Indeed we ought to support this resolution in the likely vain hope that it will turn out to be more than a pious wish.

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EDWARD KELLETT-BOWMAN REPORT (Doc. 1-666/82 — Ispra): ADOPTED

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GABERT REPORT (Doc. 1-834/82 — ECSC discharge): ADOPTED

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* *

IRMER REPORT (Doc. 1-761/82 — 1979 discharge): ADOPTED

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* *

WETTIG REPORT (Doc. 1-954/80/rev. — EAGGF): ADOPTED

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* *

WETTIG REPORT (Doc. 1-680/82 — Cereals): ADOPTED

The rapporteur was

- FOR Amendments Nos 9, 10, 12, 20, 22, 23, 25 and 26;

- AGAINST Amendments Nos 1, 2, 3, 4, 5, 6, 7, 8, 11, 13, 14, 15, 16, 17, 18, 19, 21, 24, 27, 28, 29 and 30.

Explanation of vote

Mrs Boserup. — (DA) Mr President, colleagues, in Committee I was a fervent admirer of Mr Wettig's very interesting and competent explanatory statement for this work, but we had to witness a drastic weakening of Mr Wettig's proposed resolution in Committee. We had to vote today on 30 amendments to arrive by very narrow majorities at what we have before us. This reveals something to me on which I feel inclined to speak out on principle: the Committee on Budgetary Control studies a subject, proposes concrete amendments and in so doing tramples on the toes of those who sit on the technical committees. I realize that our friends in the Committee on Agriculture feel very hard done by, but we have to find a solution; otherwise we shall get into conflicts of competence between committees, something which appears ridiculous to the world outside and is in any case a waste of time.

As regards the content of the matter, I have to abstain from voting on the Wettig report. I believe it has been weakened. I call on everyone to seek, by consultation and cooperation, to avoid a situation in which duplication of competence leads to something of the kind we are experiencing today with Mr Wettig's report.

SITTING OF WEDNESDAY, 17 NOVEMBER 1982

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IN THE CHAIR: MR NIKOLAOU

Vice-President

(The sitting was opened at 9 a.m.)¹

President. — I call Mr Habsburg.

Mr Habsburg. — *(DE)* Mr President, I just want to say that we have tabled a motion for this afternoon's vote to the effect that the motion for a resolution No 1-869/82 on the Convention on the Law of the Sea be included in fact as the third item. The motion has been signed by 28 Members.

President. — The matter will be put to the vote at three o'clock this afternoon, Mr Habsburg.

1. *Welcome*

President. — Ladies and gentlemen, I have great pleasure in extending a warm welcome to the members of the bureau of the delegation from the Assembly of the Republic of Portugal, who are now seated in the official gallery.

(Applause)

Mr Amaral and his colleagues are here to meet our delegation to the EEC-Portugal joint committee. I am sure that this will be an opportunity to strengthen further our ties and our friendship. *Caros camaradas*, I am delighted to welcome you.

(Applause)

2. *Enlargement of the EEC towards the south*

President. — The next item is the joint debate on two reports:

- report (Doc. 1-658/82), drawn up by Lord Douro on behalf of the Political Affairs Committee, on the enlargement of the Community to include Spain and Portugal;
- report (Doc. 1-785/82), drawn up by Mr Sutra on behalf of the Committee on Agriculture, on Mediterranean agriculture and the problems of the enlargement of the EEC towards the south.

I call the rapporteurs.

Lord Douro, rapporteur. — Mr President, as on past occasions, I start by declaring interests in Portugal and in Spain. This is the first major debate which the European Parliament has held on the subject of the next enlargement of the Community since our first elections in 1979. The resolution which I present today on behalf of the Political Affairs Committee is the result of many months of work by ten committees of his House. It is a matter of major importance to the whole Community, but of even greater and more far-reaching significance for the two applicant countries. In March 1977 the Republic of Portugal, after three difficult years following their peaceful revolution in 1974, formally applied to join the European Community. This was a natural step for Portugal to take. She had been a founding member of EFTA in 1960 and a founding member of NATO in 1949. She was and is the oldest ally of the United Kingdom dating back to 1372 when John of Gaunt married the King of Portugal's sister. In July 1977 the Kingdom of Spain also applied to join the Community.

Spain had been governed by General Franco from 1939 until his death in November 1975. Under the crucial guidance of King Juan Carlos the country, against all odds, was transformed from a dictatorship to a pluralist democracy with a constitutional monarch. The first general election was held in June 1977 and one of the first acts of the newly elected government was to apply for membership of the Community. For political reasons, Spain had never been a member of EFTA or of NATO and it was therefore a major step forward for the people of Spain to turn again to the countries with whom their history is intertwined. The application to join the Community is strongly supported by all the political parties in Spain.

Formal negotiations began with each country in 1979, but despite the obvious enthusiasm and determination

¹ Approval of minutes — Documents received: see Minutes.

Douro

of the applicant countries, these negotiations have not moved forward with much sense of urgency.

Those of us who come from the countries which joined the Community in 1973 will understand the frustration which is now felt by Portugal and Spain on account of this excessive delay. It is not the duty of the European Parliament to be part of these negotiations. But it is our right and our duty to express our political wish to see these two countries join soon and to criticize the Council and the Commission for dragging their feet. I am aware that the Commission claims that in these matters they are the servants of the Council. But as with other issues many of us would like to see the Commission exercising with greater effect its considerable political prerogatives. These negotiations are another example of how the Council is so indecisive when one Member State is opposed and some others are unenthusiastic.

But the purpose of this debate, Mr President, is not to criticize the past actions of the Council and the Commission. Our purpose is to look forward. We, the European Community, have an important political responsibility in the world, but particularly in Western Europe. When two of our democratic neighbours, who are both members of the Western Alliance, wish to join us, it is our absolute duty to find a way to accept them.

The next enlargement is a challenge from which we cannot shrink. Whenever one nation forms an alliance or joins a group of other nations, there will inevitably be sectional interests in that country that will object. But it is the job of governments to lead and it is the duty of governments to see the long-term political and economic advantages for their country. We are now at the point where every government in the European Community expresses itself in favour in principle of the accession of Spain and Portugal and yet some governments are raising objections for domestic political reasons. There are those who say that the Community must solve its own problems, in particular its budgetary difficulties, before any new countries accede. There is some force in this argument, but there will always be difficulties in the Community and there will always be those who say that the time is not right. That is a defeatist attitude. Although we are described as an economic community, we are also a political community and the acceptance of Spain and Portugal is a political decision.

The recent general election in Spain shows the strength of the new democratic system in Spain, and I cannot believe that history will look kindly on the European Community if we do not now welcome Spain as a new member. There have been suggestions that Portugal should join before Spain because the difficulties which arise in certain sectors concern principally Spain. Not only would this have very serious political repercussions in Spain, but it would not really be in the interests of Portugal which has so much trade

with Spain and which is in some respects less well prepared for membership than Spain.

I was interested to read in a British magazine 'The Economist' last week that the Commission has calculated that the net cost to the Community of Spanish and Portuguese membership is estimated to be between 700 million and 1 200 million ECU per annum. This compares with a net cost to the Community of Greek membership of something over 600 million ECU per annum. Considering that Spain and Portugal together are five times the size of Greece, this estimated cost does not seem as serious to me as some alarmists would have us believe. I would ask Mr Natali perhaps to comment on these figures in his speech. But this figure also shows that despite the inevitable cost of supporting Spanish olive oil, in other sectors Spain is likely to be a net contributor. Both Spain and Portugal are food importers, which is of particular interest to the Community as they import cereals, dairy products and beef, which are all in surplus in the present Community.

I realize, Mr President, that I will be followed today by Mr Sutra, who has written a detailed and informative report on Mediterranean agriculture. This is not an easy task for a French Socialist from Languedoc, and he has performed it with great skill. The thrust of Mr Sutra's report is that the CAP must be extended to more of the Mediterranean products before Spain and Portugal join the Community. I have some sympathy with the view that the present policies of the CAP tend to favour the agricultural producers of Northern Europe, but I feel that Mr Sutra exaggerates the impact which Spanish agriculture will have on his constituents, and I am sure that both countries will in fact be his allies in this matter, not his opponents.

The majority of my motion, Mr President, is based on the opinions of the nine other committees who were consulted. In order to try and produce a document that was reasonably concise and therefore more likely to be read by the interested parties, I have necessarily had to paraphrase all these excellent reports. I hope that the authors of those opinions will understand the difficulties with which I was faced. I would remind the House that this is an interim report which seeks to express the broad principles on which we would like to see the accession of the two Iberian countries negotiated. We are not part of that negotiation, but we will, as part of the ratification procedure, debate and vote on a final report when the accession treaties have been signed.

Mr President, the most important message which I want Parliament to send today to the Danish presidency of the Council, to the German Government which takes over the presidency on 1 January, to the Commission and in particular to Mr Natali, is that we are extremely disturbed by the slow progress being made in the negotiations and that we urge Council and Commission to conclude these negotiations by

Douro

March of next year. This will probably require more frequent meetings. It will require some Member States to make concessions, but I hope that the Community will take the advice of the former Italian Prime Minister, Mr Spadolini. He has proposed that Spain and Portugal should join the institutions of the EEC at the beginning of 1984, as both countries wish to do, and that the various difficulties arising in the negotiations can best be dealt with by lengthy transition periods.

It is in this spirit, Mr President, that I now submit to Parliament the motion tabled in my name.

(Applause)

Mr Sutra, rapporteur. — *(FR)* Mr President, ladies and gentlemen, the report which I am going to present to you now was carried by a very large majority in the Committee on Agriculture, and on its behalf I ask Parliament's support for it.

It is a comprehensive report which attempts to present correctly a three-fold problem: that of the Mediterranean regions of member countries, that of the applicant countries, Spain and Portugal, and that of Mediterranean non-member countries with which Europe is linked through various agreements.

Our departure point, when examining this Mediterranean problem, must be what exists at present. The Mediterranean region possesses nothing which is equivalent to the industrial power of Northern Europe. And we are in a period of recession with 11 million unemployed. In this respect the north cannot provide any solution to the employment problems of the south. Tourism is useful for the balance of payments and for seasonal employment, but to consider what exists is to consider agriculture and the agro-industrial sector, which is the second biggest industry in Europe and the first in the Mediterranean regions.

First of all I should like to say 'yes' to the integrated Mediterranean plan proposed to us by Mr Pöttering, and his opinion drawn up on behalf of the Committee on Regional Policy and Regional Planning, which is included in an annex to the Douro report, is consistent with this; this reaffirmation was indispensable. However, of all the policies proposed in Europe at the present time, the Community agricultural policy is the most integrating one, the only one which really unites with its common rules and Community disciplines. What would be the point of structural and infrastructure policies if there were not first a guaranteed income for the people who live from their work, i.e. the farmers? No policy of structure, of aid, of subsidies can compensate for not paying farmers a reasonable price. Community agricultural policy supports markets, which is correct, and it imposes disciplines, which is quite right also: no guarantees without discipline, no discipline without guarantees. We are entering more and more into a contractual society. Moreover

this is the spirit which my region has always defended and which my electorate has given me the task of defending here. I am fully at ease as the rapporteur of a Committee on Agriculture which supports me on this point.

There are three main sectoral problems which I will review very rapidly: first of all wine. The new European viticultural regulations were adopted last year; the principles are sound, but the funds are lacking and for such a young regulation it encountered a very difficult year. It would have needed two or three calm years to become established before encountering a year of super-abundance like this one. I recall the constant and unflagging work of Mr Colleselli: there is no contradiction between my report and his. I support him and I still support him and believe that together we have done what we could to further the new regulations. However, a lot remains to be done.

As regards fruit and vegetables, I will not enter into any further technical details. This will be the second big battle which the Council of Ministers will have to broach this winter after the debate on wine last year. Mr Maffre-Baugé's report adopts the right course and there is nothing in my report which contradicts his.

Let me add that it will be necessary to direct the real dynamism of Spanish agriculture, which some people have tried to present as a bogey and which should neither be underestimated nor overestimated, towards products of which Europe has a deficit rather than towards the most sensitive, saturated and fragile sectors. This is possible by virtue of Community aid.

The third sector is a subject of debate and sometimes opposition in this Parliament, namely olive oil. The high level of Spanish consumption has been greatly protected through tariff and non-tariff means for a long time, and the foreseeable very sharp decline as a result of a colossal lifting of Spanish customs barriers if Spain were to adapt totally to the current laxism of Europe, would place a terrible burden on the budget. Surpluses would be enormous and Mediterranean agreements with a country such as Tunisia would become completely devoid of their meaning and their content.

Spain's rules cannot differ from those of the rest of the Community. So is it possible to bring the Community's present position and that of Spain closer into line? Could one consider, within the GATT, a definite lifting of Spanish customs' barriers in exchange for some kind of reintroduction of European customs' barriers which would unify Europe without ruining it?

I have proposed also in my report — and I believe that this is one of its original features — refunding the levy to the developing countries, in particular to the ACP countries and the least developed countries. This should be done via the European Development Fund with the sums being devoted obviously to other sectors

Sutra

— investments, infrastructure — and never distorting competition, which would leave us open, within the GATT, to the reproach of discrimination.

Then finally we would have a true budget directed at the ACP countries and in this way the expenditure would be obligatory if the levy was introduced and refunded to the ACP countries.

However, what about the application of VAT for the whole European budget? Certainly not in Spain with the wave of a magic wand on the first day. Where will receipts come from? My report requests that the 1% be exceeded, but when I hear colleagues and friends in this Parliament saying that they refuse to increase own resources, that they refuse the tax on oils and fats competing with olive oil, that they refuse to increase resources, it is urgent, Mr Natali, that under your guidance the various departments of the Commission should meet and unify the various figures which are circulating more or less in the corridors so that one really knows the cost of enlargement.

Let us therefore finally open the real documents. The Committee on Agriculture is in favour of enlargement but it does not want to enter into it blindfolded; it does not want this to be a pretext for delaying it, that is obvious, but neither does it want to neglect important policies on the pretext of avoiding delays.

The Committee on Agriculture does not want to see everyone trying to plead the greatest poverty. If it is always the least expensive product which must be taken, then it will always be the poorest country which has to pay. In the case of French beans, at present it is Kenya. For asparagus, it is Formosa.

However poor and however cheap you are, the multinational will find a slave at the end of the earth which will produce cheaper than you. But in this game of dominoes there will only be losers, at least amongst producers, because others will grow rich from our loss of revenue.

We want a relationship of solidarity with the Mediterranean countries with which we are linked through different agreements, and the excellent opinion of Mrs Pruvot, on behalf of the Committee on Economic External Relations, presented the problem very clearly. We want a relationship of solidarity with the Third World and consultation with the ACP countries in accordance with Article 181 of the Lomé II Convention, as is pointed out quite correctly in the opinion of Mr Derek Enright on behalf of the Committee on Development and Cooperation.

Solidarity, yes, but never at the dumping price of misery, never at the dumping price of poverty! Our first sign of solidarity must be to avoid a situation where these peoples compete with each other for poverty in order to be able to sell in our markets.

The problem remains the same whether in the Europe of ten or tomorrow's Europe of twelve.

Mr President, ladies and gentlemen, I have only just touched on an immense subject area and time is passing. Let me say that this report is an initiative report. This problem has not been referred to us, the European Parliament, either by the Council or by the Commission. It is an initiative on the part of the Committee on Agriculture on my proposal made three years ago: it was my first action, the first words spoken by me when we established the committee in September 1979. It is not we who are throwing a spanner in the works.

Enlargement and the requests for accession — and at that time, when I started my report, three countries were requesting accession: Greece, Spain and Portugal — are a cause for rejoicing for all democrats in Europe because it signifies the disappearance, which we hope is definitive, of fascism from the face of Europe. And we hope that one day the same will be true of the whole planet.

This does not eliminate the difficulties and there can be no easy enlargement. My report aims to find the best possible means of achieving it, in the best interests of the workers of the regions concerned in the Mediterranean basin.

Mr President, ladies and gentlemen, let me conclude by saying that a great deal is spoken, and quite rightly so, about European revival.

For me, the revival in these closing years of this century will be Europe's reconquest of its total dimension, incorporating consequently its Mediterranean dimension.

Europe was born on these shores. Our culture and our civilization are Mediterranean. The gold of the conquistadors robbed Venice of its dominant position; the Atlantic became in its turn a *mare nostrum*, and so many erudite economists foretell the rise to power of the Pacific, from California to Japan and China. Does that mean that the centre of the world is going to get irretrievably further away from us? Today the answer is no, the peace of the world is at stake here in the Mediterranean. Can Europe sacrifice its presence in this Mediterranean world? No, and to affirm its presence it has to start from what exists, agriculture, and achieve a successful Mediterranean agricultural policy, the primary economic and human force of the Mediterranean region of the world! It is not true to say that Europe cannot afford this policy when perhaps this is the price of peace in the world.

(Applause)

President. — I call Mr Hord.

Mr Hord. — Mr President, it seems appropriate for me to refer to Mr Sutra's speech. He was speaking as rapporteur for the Committee on Agriculture, and I do not think that his instructions from the committee enable him to make personal remarks or cast aspersions on multinationals, 'slave labour' and other things. I think that there should be some understanding of the role that rapporteurs play on behalf of their committees, bearing in mind that he was supposed to be speaking on behalf of Parliament's Committee on Agriculture.

President. — I call Mr Sutra.

Mr Sutra, rapporteur. — (FR) Mr President, I refused within the group yesterday to speak for three minutes on behalf of my colleagues because I was really keen for there to be no confusion between my role as rapporteur and my role as spokesman of my group. I feel that I have fulfilled my mission entirely, the mission entrusted to me by the Committee on Agriculture, and it will be for the committee alone to assess how I have presented this report, although I must say that the honourable Member who just spoke was against my report in committee.

President. — I call the Committee on the Environment, Public Health and Consumer Protection and the Committee on Social Affairs and Employment.

Mr Ghergo, draftsman of an opinion. — (IT) Mr President, the Treaties themselves contain no explicit provisions for bringing about a coordinated policy on the environment, although it is obvious if you just look at the facts that there is a need for such coordination. This idea gets formal support not only by virtue of the general aim of improving living conditions but also through the indirect application of various provisions of the Treaties.

Pollution knows no frontiers and every effort designed to combat it must be coordinated, and this must be done from the dual angle of efficiency and cost-effectiveness.

These principles were adopted by Parliament, following an amendment of mine, when it approved on 8 July the report on the 1983 budget, and there is no doubt they ought to be behind the relationship which is now developing between the Community and the applicant states, in the sense that it is up to them to keep their appointment for membership after they have brought their rules and regulations in line with the Community. Naturally, this is not going to come about as the result of formal obligations which do not exist yet but depends instead on the urgent need to counter as quickly as possible the impending dangers of a steady and in the end irreversible wave of pollution by means of an environmental policy which

thanks to the close coordination of various efforts covers the widest possible area.

The need for speedier harmonization of Spanish and Portuguese legislation with Community regulations is also borne out when it comes to public health and consumer protection, especially with regard to all the provisions which govern the marketing of particular products as far as protecting the health and safeguarding the rights of the consumer are concerned.

Having made these recommendations, which in the final analysis are in line with the particular interests of the countries involved, I wish to say on behalf of the Committee on the Environment, Public Health and Consumer Protection that I endorse the thinking and the conclusions of Lord Douro's report and I hope that the date of 1 January 1984 which has been set for the accession of Spain and Portugal will not have to be put back.

Speaking now on behalf of the Committee on Social Affairs and Employment, let me say that the problems involved in enlarging the Community to include Spain and Portugal — and I mean where the Committee on Social Affairs and Employment is concerned — were outlined in the opinion which the committee gave on 23 September of this year. I would mention in particular the problems with the adjustment, in accordance with Regulation 1408/71, of the economic and legal status of Spanish and Portuguese workers employed in the Community countries.

We also have to stress the need — and it is an urgent need in view of the very short time between now and the accession of the applicant countries — for them to begin immediately the work of adjusting their legislation along the lines of Regulation 1408/71, so as to eliminate substantial differences in labour costs which distort competition.

There is no doubt that the accession of two new countries which both have high levels of unemployment, substantial balance of payment deficits and high rates of inflation will require in social terms suitable measures which, on the one hand, strengthen Community solidarity and, on the other, safeguard the legislative and material progress that has already been achieved by the Community.

As far as jobs are concerned, particular attention will have to be paid to the significant increase in the farming population — and we shall have to consider as well the effect this is going to have on the average level of productivity on Community farms — which is going to go up in the Community from the present figure of eight million to 13 million, and there are going to be twice as many agricultural holdings.

Moreover, in view of the high proportion of the working population employed in agriculture in the two applicant countries (20.3% in Spain and 27.3% in

Ghergo

Portugal, compared with a Community average of 11%) there is likely to be a major exodus from agriculture to the industrial and service sectors. The numbers involved in this exodus can be estimated and the process should be guided and controlled in accordance with a carefully planned programme which provides a timetable, detailed arrangements and guidelines designed to prevent the type of economic and social problems that have resulted from similar phenomena in certain Community countries.

The Committee on Social Affairs and Employment is therefore fully aware and convinced that the accession of Spain and Portugal to the Community represents not only fundamental compliance with the guiding principles of the Treaty of Rome but also a political move of the utmost importance, because the image of the Community and its political and economic influence in the world would be strengthened without any shadow of doubt.

On behalf of the Committee on Social Affairs and Employment, therefore, I want to express our totally positive view of the forthcoming accession of Spain and Portugal, but at the same time we hope that the growing scale of the problems involved will lead to more definite and effective policies, especially with regard to jobs.

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

Mr Pöttering, draftsman of an opinion. — (DE) Mr President, ladies and gentlemen, colleagues, firstly, on behalf of the Committee on Regional Policy and Regional Planning, I would like to warmly thank the two rapporteurs, Mr Sutra and Lord Douro, for their work. I would like to add that the Committee on Regional Policy and Regional Planning began to concern itself with the problems of enlargement at a very early stage and to recall the resolution of the European Parliament of February of this year concerning the creation of a Mediterranean Plan.

We fully support the accession of Portugal and Spain for political reasons and we hope that we will soon be able to welcome Spanish and Portuguese colleagues in this Parliament. However we would like to make it quite clear that the accession of Portugal and Spain will bring about far-reaching changes in the European Community. A large North-South gap will emerge in this Community, as can be seen from the following figures.

Whereas today the welfare gap between Hamburg and Southern Italy — Calabria — is five to one in Hamburg's (Germany) favour, the income gap between Hamburg and Villa Real Bragança in northern Portugal will grow to approximately 12 to 1. This highlights the dramatic nature of the enlargement.

Another figure to clarify the situation: whereas per capita gross domestic product in the European Community, in terms of purchasing power parities at market prices, amounts to 4 842 ECU for the Ten — and this is the average value for the entire Community, not the value for the so-called rich regions — the corresponding value for Spain will be 3 427 and for Portugal indeed a mere 2 179 ECU. Whereas in the Ten approximately 8% of the workforce are employed in agriculture, the figures for Spain and Portugal are 19% and 28% respectively. This demonstrates the great problem we are facing and have to solve — the creation of alternative employment — to which Mr Ghergo has just referred. What will happen to the workers now employed in agriculture in Portugal, Spain and the other Mediterranean countries when agriculture in these countries is restructured? How will we provide alternative jobs for these people in their countries? I would like to say very clearly that our objective cannot be to tear the workers in Southern Europe out of their cultures and their countries so that they can go to Northern Europe and look for work there — no, we must manage to provide jobs for people in their own countries, in this particular case Portugal, Spain, Southern Italy and Greece.

As we know this will demand great efforts, and we believe that in creating new jobs the focus must be on small business, crafts and the services sector, i.e. that small business must be given priority over and above large industry. This also means that great efforts must be undertaken to promote vocational training, in particular for young people in these countries.

We are very glad to see that Commissioner Natali is with us here today, and we appreciate his commitment to the enlargement of the European Community and the problems which concern the Mediterranean area — and I would like to thank him for a document we received yesterday which is dated 19 November, i.e. the day before yesterday. This document will be submitted to the Heads of State and Government for the summit meeting of 3 and 4 November.

Commissioner Natali, we emphatically support many of the points. However I regret that this opinion for the Heads of State and Government does not mention that the European Parliament, with a large majority of over 90%, has called for a Mediterranean Plan with low-interest loans. I also urgently appeal to you in the context of the concrete proposals for the integrated programmes, which we warmly support and which are also contained in this December paper, to focus attention on the instruments which we have requested — low-interest loans, a revolving fund, that is to say a plan which in a way be compared with the great efforts undertaken after the Second World War, with the Marshall Plan. After all, the resources of the Regional Fund, which only amount to approximately 1 000 million ECU for the entire Community, will be inadequate even if we merely extrapolate the existing trends. Accordingly, Commissioner Natali, on behalf

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of the Committee on Regional Policy and Regional Planning, I appeal to you to take account of these instruments in your proposals.

More on my own behalf than on behalf of the Committee on Regional Policy and Regional Planning — although I assume that the entire Committee will agree with me — I would like to underscore the point which Mr Sutra correctly made: Fascism should have no future in Southern Europe. Mr Sutra, allow me to add: there should be no chance for totalitarianism in Southern Europe whether from the right, as in the past, or from the left . . .

(Applause)

. . . nor anywhere else in the European Community. Accordingly — in order to lead the Community towards a free and socially just Europe founded on solidarity — we appeal to you to include our proposals for a Mediterranean Plan, so that Spain and Portugal can acquire an equal place in the European Community.

(Applause)

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

Mr Enright, draftsman of an opinion. — Mr President, first let me make it quite unequivocally clear that I welcome the accession of Portugal and Spain and will certainly fight for their accession at the earliest possible moment.

What we in the Committee on Development and Cooperation would wish to say, however, is that far too often debates are conducted in isolation and that we have a duty to integrate properly our policies for the North-South dialogue with our policies for the Community. That is precisely what the amendments we are proposing are about.

Let me briefly outline our worries. First of all, we are concerned at the impact on the Maghreb and Mashreq countries. We think that with some care and some attention to forward planning, the difficulties can be overcome. However, they will not be overcome as some sort of side issue. They must be put into the main forward thrust of what we are doing.

Secondly, we are extremely concerned that the same thing does not happen with the accession of Spain and Portugal that has happened with the accession of Greece, namely, the total failure to consult and have meaningful talks with the ACP countries, as required under Article 181 of the Lomé Convention. This must be done and it must be done in a meaningful way, not as a mere side piece of information afterwards.

Then we must look to see what the shape of any future convention is going to be. That means discussions with Spain and Portugal and a commitment from them that they accept the spirit and policies of the Lomé agreement and of our North-South dialogue. In particular we should open up ways for former Spanish and Portuguese colonies in Central America and the Caribbean to join the treaty that will succeed Lomé II, if they so wish. It would certainly lend some coherence to our aid and trade policies towards Central America and the Caribbean.

When the budget is being planned, therefore, it is crucial that extra money be put aside to offset the trading difficulties that will unavoidably arise for those countries with which we are already associated. We also have to examine the GATT agreements and our worldwide trading policies to see how best we can accommodate those countries with which we already trade, while at the same time coping with the problems of trade with Spain and Portugal.

In a word, Mr President, our plea is that we look not only to our own narrow selfish interest, not only to the problems that are going to be faced by European farmers and others, but that we look to the real problems that are faced by the starving in the world and by those who are on the poverty line. I appeal to the Commission to do this, not through pious utterances but by means of real negotiations with our partners in the South.

President. — I call the Committee on Youth, Culture, Education, Information and Sport.

Mr Marck, draftsman of an opinion. — (NL) Mr President, it will come as no surprise to this Assembly that the Committee on Youth, Culture and Education, Information and Sport is looking forward to the accession of Spain and Portugal with a certain excitement since Spain and Portugal have indeed contributed by their history, culture and presence in all parts of the world to the development of what has been referred to as western or cultural civilization. They also represent, as it were, a bridge between our Community and other peoples and communities. I am thinking here in particular of the links which have existed for centuries between Spain and Portugal and Latin America where Spanish and Portuguese are still spoken but where these cultures develop primarily along literary lines. They also represent a gateway to the Maghreb and Moslem countries in that magnificent relics of these cultures are still to be found in these two countries.

However, these cultural links are not merely part of our history but continue to exist today with the hundreds of thousands of Portuguese and Spaniards working in the Community and the holiday-makers from our Member States who visit these two countries every year. Moreover, our Committee takes the view

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that the accession may well represent an important contribution to the democratic process. More particularly, our Committee would like to stress the importance of freedom of speech, freedom of choice as regards language, education and culture, and the protection of minorities and yet we regret that cultural, educational and information questions have not yet received the attention they deserve in the current negotiations. We fully realize that major obstacles must be eliminated first, but we nevertheless wonder whether or not a strengthening of cultural relations, approximation of educational curricula and qualifications, and exchanges of young people could make a great contribution to establishing an atmosphere of mutual trust which in turn would make it possible to approach the more difficult problems in a spirit of cooperation. Our Committee therefore proposes immediate application of the Directive of 25 June 1977 on the education of children of migrant workers. Why should we not, in a spirit of cooperation, immediately extend the scope of this Directive to cover the children of Spanish and Portuguese workers in our Community and why should we not also endeavour to step up our contacts in connection with the preservation of our archaeological heritage, language teaching and youth exchanges, which have been recently advocated in this Assembly and on which reports have been adopted. Our Commission also feels that the European Foundation should be involved in the enlargement process.

Finally, there is we think important work to be done without delay in the field of information. Items in connection with the accession and the attendant problems have already been included in the budget. Mr Natali has spoken on the information programme for 1982 and the Commission is already envisaging an increase in new initiatives in connection with these two countries. It would be a very good thing if the people of these countries could be better informed about Community policy and both the positive and negative aspects of accession, as this would make them better prepared for the decision they have to take.

This then, ladies and gentlemen, was what the Committee on Youth, Culture, Education, Information and Sport had to say on this subject. We only hope that, in addition to the political and commercial interests, some attention will be given to what we customarily refer to as higher intellectual values, namely culture and the education of young people.

President. — I call the Socialist Group.

Mrs Clwyd. — Mr President, this is an opportune time for holding this debate, since the negotiations with Portugal have reached a crucial stage. The position of the Socialist Group is clear. If the Portuguese and Spanish peoples want their countries to join the European Community, then we must give our full support to that aim and we shall do all we can to facilitate it.

We believe that the accession of countries that have been both democracies and dictatorships is of such great political importance that it should prevail over the few difficulties which remain in the negotiations. Our Portuguese colleagues have pointed out to us from time to time that public opinion in Portugal is becoming increasingly lukewarm over membership as the target date for accession is seen to slip like sand through their fingers. We insist, as Members of this Parliament, that 1 January 1984 must remain the target date. Moreover, as chairman of the Joint Committee I believe it is possible if there is political will on both sides.

The negotiations have been under way for four years. We know that progress has been made in many fields and that the subjects that remain to be dealt with include difficult ones such as agriculture, fisheries and the free movement of Portuguese workers after accession. We believe, however, that these matters can and will be concluded in the first few months of next year. On the terms of accession, we believe that Portugal must receive clear guarantees from the European Community that enlargement will not turn Portugal into a net contributor. The aim must certainly not be accession on any terms.

It would be idle to pretend that there is at present an ideal climate for the integration of Spain and Portugal into the Community. High unemployment and recession make every government less willing to take risks, a fact which is apparent in the paralysis of some of the European Community's institutions; but it would be pitifully short-sighted to ignore the importance which Portugal's democrats attach to EEC membership as a positive guarantee that will reinforce their new-won democracy.

Countries which still retain doubts about the accession of these two other countries must not abandon the wider aims on which this Community was founded and to which it must remain committed. As *The Guardian* said recently in an editorial: 'If a lake of *vin ordinaire* is put ahead of a rock of democracy, then that is a short-sighted and blinkered view indeed.' The problems faced by agriculture in Portugal, in which almost one-third of the workers are employed, are well known to us: we must ensure that accession to the EEC does not aggravate these problems and that more is done to support the producers of Mediterranean crops and to benefit Portuguese farmers. We must ensure that Portugal's entry to the EEC makes it easier for their workers to gain a decent living in their own regions, while those who have emigrated must obtain full rights and social security benefits where they are working.

Mr President, the enlargement of the Community to include Spain and Portugal is above all a political event. Of course, there are some people in this Parliament who have reservations about the entry of these two countries. However, I say to them that we have a

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duty not only to welcome these countries into our Community but also to do our utmost to reach the date of 1 January 1984. The addition of Spain and Portugal is another step towards achieving the hopes of a complete and united Europe. We all have much to gain from the accession of these two countries. We are gaining experienced and valued voices in world affairs which can provide important links with Latin America, with Arab and African countries.

Finally, Mr President, we need to demonstrate today our support for the entry of these two countries. We need to do more. We need to demonstrate the warmth and intensity of our welcome by passing this resolution unanimously.

(Applause)

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

Mr Croux. — (NL) Mr President, ladies and gentlemen, I should like briefly to explain the views of the Group of the European People's Party and the aims of our amendments.

First of all I would like to point out that this is indeed an interim report, and we hope that the Political Affairs Committee will as soon as possible draw up the definitive report on the accession, since this is of great importance not only for Spain and Portugal, but for the whole Community. For this reason, we have not tabled any amendments to the body of the resolution by Lord Douro, but we have done so in the case of the recitals. Why? In order to place emphasis on a number of points which strike us as extremely important.

Firstly, we should like to stress once more the political significance of the accession of Spain and Portugal and of the simultaneous accession of these two countries for the European identity, political democracy, peace and stability in this part of the world and for opening up the Community *vis-à-vis* the world as a whole and, in particular, Latin America. These countries *must* accede, and for us this is not an external Community problem but has already become an internal one. We must speak and act in the light of this. We cannot gloss over the obstacles to which attention is constantly drawn. We cannot solve the problems by drawing a veil over them. We must bring them out into the open and use all our imagination with a view to finding original and constructive solutions.

The problems fall into three categories. Firstly, there are the sectoral, economic and, in particular, agricultural problems. I do not intend to go into these now, as they have already been dealt with amply by other speakers. People talk about transitional periods and phased accession. These are things which must be looked into in the next few weeks and months, but, as we see it, the problems are not insoluble.

Secondly, there are financial problems including, in particular, the increase in own resources. However, even without the accession of Spain and Portugal the Community would still be faced with this problem. According to certain calculations, the accession would, on its completion, involve an increase of approximately 5% in own resources. This should not be allowed to stand in the way of such an important political issue either. Nevertheless, this financial problem is one of the things which we should already be looking into in the general context of the life of the Community since, even without the accession of Spain and Portugal, it is a fundamental problem. I might remind you of the words of Mr Notenboom who said, during the budget debate, that we should also give great emphasis to alternative policy and other economic aspects not of a purely financial or budgetary nature. We should not underestimate the significance of the increase in scale and the challenge this represents, and the implications of a new phase of economic development, first and foremost for Spain and Portugal themselves, but also for the Community and the entire market.

Thirdly, the institutional problems. The accession cannot be a success unless the institutional questions are dealt with seriously and solutions found. There are two main problems, the first being the decision-making process in the Council, and in this connection I will merely refer you to what has already been said often enough in the debate on the Genscher-Colombo proposal, and the European Act and in other institutional debates in this Parliament. We cannot go into it in detail today, but I repeat that in the absence of an effective decision-making process, not only the accession but also the present existence of our Community is in danger. It is not a new problem, but we must once more urge the Council to deal with this fundamental question in connection with this accession. The second institutional problem is the efficient working of all the institutions, the Commission, the Council, Coreper and Parliament. In all these bodies, the new fact of the accession should act as a stimulus to overcome red tape and to devote more time and attention to the problems of the Community, primarily at the level of the Council, where some Ministers and Governments all too often give the impression that Europe is only a sideline. This is vital for the development of the Community.

Finally, Mr President, there are three ways of looking at the problem of the accession. Firstly, we can regard it as a political problem and forget everything else. This is a naive approach. Secondly, we can regard it as a purely economic problem to which political considerations must give way. This is a defeatist attitude which does not look realistically to the future either. Thirdly, however, there is a global, Community approach which takes account of the political, the economic, the institutional and the financial aspects alike. This is our approach, and we feel that any other would be to the disadvantage of Spain and Portugal

Croux

on the one hand and the Community on the other. That is the real point of this accession. It is a Community matter which must represent a step forward and not a step backwards for the Community.

President. — I call the European Democratic Group.

Miss Hooper. — Mr President, I speak on behalf of my group, principally in respect of Spanish accession since I am also a member of Parliament's delegation to the Spanish Cortes. Like some of the preceding speakers, I also wish to declare an interest of every Member of this Parliament, that is their involvement in the construction of a true European Community representing and uniting all the peoples of democratic Europe. Of course there are problems, serious problems, in the existing Community and in our relationships with third countries. There are problems resulting from the first enlargement; there are already problems resulting from the second enlargement, which started with Greece's entry, although there now seems little doubt that Greece will remain a Member.

Mr President, there will always be problems in our Community, and we are here to try to sort them out. Without problems we would be out of a job, and I would to remind the House that, as early as 1979, Mr Dankert who was then draftsman for the Committee on Budgets for this Parliament, said that in any discussion of the effects of enlargement, the fact that ultimately political considerations will prevail should not be lost sight of. I well remember also Madam Veil as President of the Parliament attending a meeting with the Spanish delegation in Madrid and saying the same thing, namely, that if the political will is there, we can solve the problems.

I believe, Mr President, that it is high time for the original Members of this Community to brace themselves and to recognize that they cannot turn the clock back and return to the cosy little club of the Six. It is vital for our Community to grow as well as to consolidate, and we must learn better how to cope with the inevitable growing pains. We must profit from experience and improve and speed up our negotiating machinery so that when the next applicants emerge — and I hope and trust that there will be other countries as willing and eager to join us in the future as the present applicants — we shall be willing to accommodate their needs and special interests.

In some ways it is easy for me as a British Conservative to be wholehearted in my approach. The present government in the United Kingdom has underlined time and again its commitment to enlargement, even two weeks ago making special mention of it in the Queen's speech which outlines the government's programme for the current parliamentary session, and the amendments tabled by my group to the Douro report are intended to emphasize this political commitment.

We believe that historically, culturally and now, in developing its democratic processes, Spain is, and must be, indisputably an integral part of the European Community.

But we also want to see reform — reform of the agricultural policies — and it is clear that Spanish entry will bring us closer to this reform. However, I do not intend to dwell upon agriculture since my colleague, Mr Hord, will be speaking on the Sutra report. But even the agriculture sector does not present a total downside risk. As Lord Douro pointed out, there is a consumer demand in Spain for many products in structural surplus.

But accession is not just a question of reconciling agricultural interests. On the industrial side, Spain offers us the prospect of a larger market for many products manufactured in the EEC which cannot penetrate Spain's existing protective barriers. Spain will be required, for example — and I quote only a few examples because of time constraints — to prepare for the adoption of VAT. It is already doing so. Spain must abolish its current import licensing system and adopt EEC customs regulations and procedures. Spain must fully participate in all the EEC's commercial agreements, including the Multifibre Arrangement. Many more of these requirements will no doubt be enumerated by Mr Natali today, as during previous debates, and it would be both foolish and unrealistic to pretend that fulfilling these requirements will not present major difficulties for Spain during this period of recession and increasing unemployment. For this reason the Community must be realistic and sympathetic when working out suitable transitional periods.

As of now, Spain is eager to join us. Politicians of all parties are committed to this objective and are willing to explain the need to make sacrifices to their electorate. Do we really want to be seen as the ungracious and unwilling party to the negotiations? Do we want to see that enthusiasm and commitment falter and sour and turn into isolationism as a result of our delaying tactics? Given the repeated assertions made recently by the Commission, that by working day and night the negotiations can be completed to ensure accession on 1 January 1984 and given the statements made by Council representatives, do we, the European Parliament, want to be the sole institution of this Community to hesitate? I, for one, want to be able to say to my electors in Liverpool at the next elections in June 1984 that the accession of Greece, Spain and Portugal is a *fait accompli*, and I want to be able to point to the contribution made by the European Democratic Group and the European Parliament as a whole towards this achievement.

I therefore beg this House to support the motion for a resolution and to insist on accession taking place in January 1984.

(Applause)

President. — I call the Communist and Allies Group.

Mr Piquet. — (*FR*) The French members of the Communist and Allies Group wish the debate on enlargement to throw light on the serious issues at stake. In my opinion therefore we must speak plainly because what is at stake in this debate on the problem of enlargement are the interests of the peoples of the Community and of the applicant countries.

Let us consider therefore without further discussion the reality as it exists, whether it be the situation of the Community or that of the applicant countries. I will touch on several points, beginning with that of the democratic development of these countries. Should we or should we not aid the advance of democracy in these countries? Yes indeed, and the more the better, but let us be lucid.

The enlargement of the Community to include Spain and Portugal does not mean that it is the only way these countries will move towards democracy. They have proved this by starting to make the necessary changes themselves without the intervention of the Community. We realize that relations between various countries can of course in some cases help to strengthen or otherwise the democratic process of a nation but enlargement in itself is not the most advanced form, and still less the sole form, of necessary assistance.

Even worse, enlargement would to some extent detract from the democratic process because democracy can only be conceived in all its dimensions, political of course, but also economic, social and cultural. It is therefore necessary to examine and seriously assess these decisive aspects of the future of the EEC and the applicant countries. Let me add that to reason thus is to display a Community spirit. I share the opinion of the President of the French Republic, who declared in Madrid last June, 'I will not take the risk of adding an additional misfortune to Europe's existing misfortunes'. This is why we have to start from the real economic and social situation of the Europe of Ten, and this situation, as we can all observe, is more distressing than ever, quite apart from the intra-Community problems to which a solution has still not been found, such as that posed by the British contribution.

The Community does not display the economic dynamism necessary to be able to offer genuine prospects of progress to the applicant countries. Thus it is clear — the Douro report and the Sutra report recognize this — that enlargement conceals grave risks both for the Community and for Spain and Portugal. Why 'deplore' therefore the fact that the European Council has decided, at the request of the French Government, to ask the Commission to review the main problems linked to accession?

It is not only the Commission's duty to make this study but it is also in the interests of the European

Parliament and public opinion to face the problems in order to assess them. The French members of the Communist and Allies Group will pay attention to them particularly as from this point of view the experience with Greece has been instructive. For his part the Greek Minister for Agriculture has just stated: 'Our accession to the Community is causing serious problems'. This is true, and is reflected for example in an increase in consumer prices by a transfer of resources from Greece to the EEC and by the substitution of imports for certain Greek products. Thus it would not be responsible to ignore these data when assessing the consequences of enlargement for the peoples of Spain and Portugal. Nor would it be responsible either to ignore the disquiet of the countries of the Mediterranean basin who fear that their cooperation agreements with the Community may be called into question. The same applies moreover to the ACP countries, since their import flows, which are already inadequate, would be seriously affected by enlargement.

As Mr Douro proposes, it is not therefore sufficient to inform them; they must be really consulted. As regards the consequence of enlargement on the economy of our countries, including that of France, these would not be any less grave. Enlargement would accentuate economic imbalances, and quite a number of agricultural products would be directly hit. Industry would also be affected, and in this context I could mention the textile industry, the shipbuilding industry, the shoe industry, the iron and steel industry, not to speak of the serious problem of unemployment and what the Commission referred to as long ago as 1978, when speaking of the consequences of enlargement, as the 'release of labour'.

Thus a new accession would not provide an answer to the problems which we are facing but would be a hazardous undertaking which would call into question everything the Community has achieved so far, and that is why for our part we cannot approve it. That is why also, instead of continuing the forced march along the road towards an enlargement which would only result in lower standards overall, in the mutilation of the economic potential of all the countries concerned, it would be better to explore the possibilities of a true policy of cooperation which is mutually advantageous and is based on the complementarity of both parties with each respecting the others independence, and in this perspective we believe that there is room both for economic and social progress and for democracy.

(Applause from the left)

President. — I call the Liberal and Democratic Group.

Mrs von Alemann. — (*DE*) Mr President, Lord Douro's approach in his report on the enlargement of the Community to include Spain and Portugal might

Alemann

be called a compartmentalizing one, in which each sector is examined in turn in order to determine the pros and cons of accession.

Naturally there is something to be said for this philosophy. However, I think that such a detailed approach is not the correct one for us today, because it may distort the picture which we wish to create. I do not mean that one should not examine the problems. I too have pointed them out again and again in past debate. However, the main point is that the countries of the Community and the majority in this House have decided in favour of the accession of Spain and Portugal to the European Community. Concrete steps must now be taken to ensure that this decision rapidly becomes a reality.

Tardy implementation could lead to various difficulties. Firstly, there are difficulties of a psychological order. I remain convinced that if Britain's accession had taken place after its first application public opinion in Britain might not be so critical of the Community as it is to some extent today. We cannot allow ourselves to be thought of as the Community of the rich and privileged who refuse entrance to the countries waiting at the door.

Moreover we have repeatedly emphasized that we wish to support democracy in both these countries. However this must be done soon and not in a few years' time. Thirdly it is important for reasons of economic policy to conclude the treaties rapidly. For Spain in particular the commercial agreement concluded in 1970 has led to imbalances. Thus genuinely new treaties are essential. Nor can we claim to know exactly which industrial branches need weeding out and which may remain. I would like to warn against any tendency towards *dirigisme*, in which trends in the economic climate and in the individual branches are dictated from above.

The accession of Spain and Portugal will act as a catalyst for our internal problems. In the existing Community we will have to make long overdue decisions majority decision-making in the Council, agricultural policy, relations with third countries in the Mediterranean. My colleague Marie-Jane Prubot has prepared a very interesting document precisely on this topic which I again recommend you to read.

A crucial test lies ahead of us. None the less in this decision in favour of accession the problems of integration and of economic, social and financial policy must be considered soluble in principle. This is the standpoint we Liberals take. Our willingness to respect agreements, our credibility and reliability as partners of the other Mediterranean countries are now at stake. Thus I would ask Commissioner Natali to read the opinions of the Committees very closely and to include them in his proposals.

A policy of muddling through might be very harmful. The expansion of the Community towards the South

now requires concrete and all-embracing decisions. We must ensure that these decisions are taken. We need consistent political decisions which can be implemented rapidly. Only in this way can the desired accession of the two applicant countries help consolidate the relationships between the Member States and thus constitute a further step towards integration.

(Applause)

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

Mrs Ewing. — Mr President, honourable fellow Members, if I may harp back to the old Parliament, of which I was a Member, the war was more spoken of in those days, because we had men and women amongst us who had been on both sides of that terrible conflict and who spoke about it a great deal. I remember the speeches were very idealistic and full of purple passages, and one made by a German Member stands out in my mind. It was the time when we were holding our breath as Franco was dying and were wondering what would happen in Spain, and he told a story which I will repeat here.

He asked a man in a Hamburg street, 'What do you think will happen when Franco dies? Do you think there may be a civil war?' And the man said, 'Yes'. Then he asked, 'Do you think it would be less likely if Spain were aiming at joining the Community?' And after reflection, this average man said, 'Yes, I think it would be less likely.'

Now we cannot prove a negative; but bearing in mind that Members from this Parliament went to campaign for the Spanish and Portuguese elections, I believe there is a desire among the parties in those two countries to see Spain taking the democratic road. If that were the only justification for this Community, it would be worth all the complications it brings with it, for this is one of the most important single events that has taken place in our lifetime.

I remember, as a small child — and this gives my age away completely — seeing my cousin leave Glasgow with the Scottish section of the International Brigade: there was a great send-off, and he died as a result of his participation in that war. So that war in Spain — which took place not so long ago — is something we should bear in mind when arguing about the details of wine and fish and olive oil. These things are very important, but I think we should fit them into the perspective of these grave events which just fall within my lifetime, for example.

I have two other things to say. One is about regional policy. Mr Pöttering mentioned that the Fund is limited. I agree, of course; like most of my fellow-members of the Committee on Regional Policy and

Ewing

Regional Planning, I think it is too limited. But one thing we can say: whatever we do with that Regional Fund, understanding of the regions will be enhanced by the accession of Portugal and Spain — and I look forward to that as someone representing a very depopulated area with eight people per square kilometre. Too often, this Parliament is insensitive to the problems of the regions, and when they make rules, these rules are often silly. When they are applied to the regions there are not enough derogations, and the more regional problems we have coming in — and we shall have them coming in with the accession of Spain and Portugal — the better will be the balance of the Community. And that will be to the advantage of all at the end of the day.

My last point is about fish, which has not been mentioned, and here I do think there is a solution to the problem: I am one of the few fishery spokesmen from this Parliament on ACP fishing problems, and here lies the natural partnership for the fishing-fleets of Spain and Portugal: they should not come to the North Sea, where there is no room for them, but go to help these African countries to stop the rape of the seas by the Soviet Union, Korea and Japan. I urge that solution on those who are in the gallery and others interested in the accession of Spain and Portugal.

(Applause)

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

Mr Vandemeulebroucke. — *(NL)* First and foremost I should like to congratulate the rapporteurs, Lord Douro and Mr Sutra, on their excellent report, or interim report, on the accession of Spain and Portugal. We should not, I fear, have too many illusions about the success of the accession of Spain and Portugal since the problems still outstanding are legion. I am thinking, for example, of the problems in the fishing sector, shipbuilding, the iron and steel industry, textiles and, of course, agricultural policy. Mr Croux in fact gave a very interesting run-down on all the problems facing us. There is also the fact that with the accession of Spain and Portugal the social gap between the richer industrialized north of the Community and the poorer south will get bigger and bigger and I might refer you in this connection to the figures contained in the report by the Committee on Regional Policy and Regional Planning which mentions 14% unemployment in Spain. In fact, more and more people in the know maintain that it will not be possible for the accession to take place by the target date of 1984 since the requisite technical, economic and financial adjustments between the applicant countries and the European Community are still so great that it seems unlikely that they will be possible within two years. Obviously, we hope that the accession can take place

as soon as possible since this would do a great deal to strengthen democracy, the Community itself would be able to establish closer links with Latin America and, in addition, Spain and Portugal are ideally placed to act, as it were, as a bridge between the Community and the Islamic countries of North Africa. However, a lot would depend on the political will to make the accession possible towards 1984. The situation in Spain since the most recent Parliamentary elections is such that it will be difficult, politically speaking, for France to maintain its objection in the future and this was, after all, a country which had considerable reservations regarding the accession.

This interim report has therefore come at the ideal time from the political point of view. It is also very important for the success of the accession procedure that a Mediterranean plan, as rightly advocated by the Committee on Regional Policy and Regional Planning, should be introduced. All this should take place in the context of an integrated Mediterranean policy and it is therefore essential that a development fund for the Mediterranean areas be set up and it would be perfectly feasible to get the necessary funds together within six to eight years.

Mr President, I should like to draw your attention to an aspect, that as I see it, has been wrongfully omitted from the Douro and Sutra reports. Spain has constitutionally recognized a number of regions, which have their own regional parliaments and governments. Galicia, the Basque country, Catalonia and Andalusia not only have their own statute, but also specific problems which call for different solutions and approaches in each case. As a highly industrialized trade area, Catalonia is oriented along Mediterranean lines. Andalusia, on the other hand, has large numbers of wage earners working in agriculture which is still, structurally speaking, organized very much in terms of large holdings. Thus there is an enormous task awaiting the Social Fund. Galicia will be faced with enormous agricultural problems since the average size of areas under cultivation in that region is one and a half hectares, which means that there is an enormous task in store for the Agricultural Guidance Fund too. As I see it, not enough is made of these aspects in the Douro report. Why, therefore, should the European Parliament not ask the governments of these autonomous regions of Spain, in preparation for the definitive report, to draw up a regional integration plan of their own and pass it on to us. Consequently, the enlargement of the Community is not merely a question of promoting democracy, however important this aspect may be, as Mrs Ewing rightly pointed out. Nor is it first and foremost a question of the many technical adjustments which will be required. However, if the integration is to be a success, we must, I think, also allow the regions to put forward their own development model.

We cannot, as I see it, allow ourselves to disregard the rich diversity of Spain in the course of this integration

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process, and it would be a good thing if we were also to take account of it in the final report.

President. — I call the non-attached Members.

Mrs Spaak. — (FR) Mr President, ladies and gentlemen, since I fully support the position taken by Lord Douro in his report, I will only emphasize a few points which I consider important.

Five years have passed since Spain and Portugal requested accession to the European Community in 1977.

I think it is time to put an end to this period of preparatory discussions, particularly since the problems posed by enlargement are not new, whether it be that of Mediterranean products, relations with these Mediterranean countries, the crisis of large industrial sectors, unemployment or, in another very essential sphere, that of the decision-making powers of the Council.

As these problems become more acute, a solution becomes more urgent and requires stronger political will, in other words the occasion for a qualitative leap by the European Community.

One of the important preoccupations of our Parliament is to resolve the problem of unemployment by boosting industrial policy and by searching for new markets, particularly those of Latin America. This was emphasized once again yesterday morning during the discussions on the next GATT conference.

What European countries, better than Spain and Portugal, can open wide the doors to this part of the world which is full of potential and the political importance of which no one can deny.

Of course, one has to take account of experience gained from previous negotiations. The conditions of acceptance must be clear and accepted by both parties; once the agreements have been signed there can be no question of new negotiations.

One last comment, Mr President. One of the aims of the founders of Europe was to establish privileged links between European countries and to constitute, in a difficult world, a group of States where democratic values would be considered vital.

We cannot pretend to ignore that Spain's return to these values is fragile because it is new and threatened by extremist movements and by a difficult economic situation. Thus, over and above our interests, we have a moral duty to welcome them, it is true under difficult circumstances, but in a future which must now be very near.

(Applause)

President. — I call Mr von der Vring.

Mr von der Vring. — (DE) Mr President, we would like to endorse the accession of Spain and Portugal on 1 January 1984. This is a statement of principle. The next direct elections to this Parliament should take place in the Europe of the Twelve.

This is the only area in which we disagree with our French friends. They too are in favour of the accession of Spain but they are opposed to a definite date. Moreover, Mr President, I think that in many cases the French standpoint is misunderstood. President Mitterrand not only approved Spanish accession at an early date when he was in Madrid but also suggested it was high time to tackle the difficult agricultural problems at a high level.

In connection with the accession of Spain France has raised a number of problems concerning future agricultural policy in Southern Europe which the Community must soon solve in any case. Why should Spain suffer because of the Community's inability to solve these urgent problems rapidly and satisfactorily? If in the European Parliament we insist on 1 January 1984 we do so because important decisions are taken in the Community only under pressure.

This report demonstrates that expansion towards the South does not throw up any really new problems. It merely further accentuates the chronic shortcomings of the Community. This applies in particular to the problem of the disparity between the economically prosperous and the economically weak regions, a threat which looms larger from year to year.

One may think what one likes of the Common Market but one point should be generally accepted: the accession of Spain cannot mean the subjugation of medium- and small-scale Spanish industry by the powerful large industries of Northern Europe. It is in everyone's interest to prevent this at all costs by means of appropriate accession arrangements. What would the exporters in the North gain if their customers in the South lost their livelihood?

On behalf of my Group I would like to broach on two particular problems. In the energy sector Spain is on the way to becoming a major nuclear power. This involves obligations. We expect that in conjunction with its accession to the EC Spain will also accede to the Non-Proliferation Treaty.

The second problem concerns fisheries: with 17 500 fishing vessels and over 100 000 fishermen Spain is one of the world's major fishing nations. It is essential that the accession negotiations be extended to include fisheries policy. Fisheries agreements with third countries must even at this stage make allowances for the future expansion of the Community. We appeal once again for concrete steps towards the development of a Com-

von der Vring

munity Mediterranean fisheries policy. Everywhere the problems concern first and foremost the Mediterranean as a whole and not only the role of Spain and Portugal in the Community.

(Applause)

President. — I call Mr Diana.

Mr Diana. — *(IT)* Mr President, I have the impression that today's debate has tackled the question of enlargement from the various angles: political, social, institutional and economic. If you ask me, it is essentially a question of honour. The fact is that we promised Spain and Portugal a long time ago that we should give a favourable answer to their requests for membership, which were lodged in fact more than five years ago. Negotiations have been going on for a while and I do not think that ignoring, underestimating or trying to circumvent the difficulties will have helped or could help to smooth the way for a solution to the problems that exist. In fact, I feel that matters have been made more difficult.

If Spain had applied for membership when the political circumstances were the most appropriate for doing so, in other words when the treaties were signed, it is likely that the difficulties of Spanish membership would not have been as great as they are now. If we have difficulties now, it is because they have increased — as I said before — along with economic growth. This is true both for the industrial sector, where Spain has developed in sensitive sectors — steel or textiles — which are currently in trouble in the Community, and also for agriculture, where in the meantime the Community has signed preferential agreements with other countries around the Mediterranean.

The problems that are on the table will have to be tackled, therefore. In any case, I do not think these problems are new. They are the same old problems which are simply becoming more acute as we have to deal with the problem of enlargement. In my opinion, this is the moment of truth for the European Economic Community. We have to be honest with ourselves and say whether we want this Community to move towards greater integration, with scope and help for the development of the less favoured regions in the EEC, or whether we want our Community to revert to a free trade area.

If it is the first thing we want, the main problem we have to consider concerns the economic resources we have available. The solution to other problems, such as industry and farming — I mean support for Mediterranean crops — and in the social sector, depends on the answer we can find to the problem of greater economic resources at the time of enlargement. Unless we have the courage to talk about these resources here, or at least have the courage to give some indica-

tion of where they are going to come from, we are just going to produce a lot of empty words, and it is certainly not with empty words or hypocrisy that the problems of accession will be solved.

If own resources have to be increased by putting up the VAT rate, we have to make this clear, although we must realize that the cost would be borne by the countries which are the major contributors to the budget, Germany and the United Kingdom. If, on the other hand, we decide to leave our own resources at the current level and give a thin slice of the cake to even more people, then we have to realize that the cost of the operation will hit almost solely the Mediterranean regions of the EEC, which already have greater problems.

If, however, we want to isolate the Spanish market — and some people have had this idea — we have to be fully aware that in this case the cost of enlargement will be borne solely by the Spanish and Portuguese economies. In my view, all these solutions are to be rejected. There is a fourth solution, which is to distribute the cost fairly throughout the Community, and that is what I think we ought to do. I do not think that the problems can be solved by the other idea that has been suggested by some people, the idea of a shortcut or a treaty of preaccession, a preliminary agreement that will just postpone the problem of accession. Once again this is a way of circumventing the problems and putting off the solution, and when accession does come we shall probably find that the problems have become even more difficult and intractable.

I think we have to look at matters squarely. We have to finish the negotiations as speedily as possible, but we have to do this on a clear basis and we have to be honest with ourselves concerning what we want or intend to do with regard to strengthening the European Economic Community and with regard to these countries which are entitled to our help and support.

(Applause)

President. — I call Mr Beazley.

Mr Beazley. — Mr President, Lord Douro's interim report on the enlargement of the European Community to include Spain and Portugal is indeed timely, and I must congratulate him on completing the enormous task of collating all the reports of nine committees and producing a resolution covering such a wide area of interests. This report is timely, Mr President, because, of course, the Community's Foreign Ministers will be meeting on 22 and 23 November and the European Council will hold its Copenhagen summit meeting next month. The debate, therefore, allows this House to express its views which, I hope, will be well considered by the Commission, the Council and the representatives of the two applicant countries whom I welcome here today.

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Lord Douro's report, like that of Mr Sutra, through no fault of the authors, has had an elephantine gestation period. Both were initiated some three years ago whilst the initial application of Spain and Portugal to join the Community is five and half years old.

It is not insignificant that it was at Copenhagen, four and a half years ago, in April 1978, that the European Council's declaration as Spain and Portugal emerged from years of political isolation and returned to democracy, established the two principles of pluralist democracy and respect for human rights as the necessary qualifications for Community membership. It was therefore natural that the basis of the Community's desire for enlargement from ten to twelve members was political. It was, and it still is, political, and as the negotiations become more and more involved in financial, economic, industrial, trade, agricultural and — from the Community's point of view — institutional problems and the consequences of enlargement, it would, in my opinion, be quite wrong to forget or to minimize the vital political aspect of enlargement.

I will not, however, elaborate on this point because it is quite clear and needs no elaboration. I will, however, concentrate on the other aspects of enlargement, as they affect both the institutional aspects of our own Community and the details of the main problems which affect both the electorates of our Member States and those of the prospective new members of the Community.

It is a matter of fact that enlargement brings new problems to both sides. The enlargement of the six to the nine, so much looked forward to by the then applicant nations during the growth years of the 1960s, was bedevilled by the recession caused by the energy crisis which unfortunately coincided exactly with their entry into the Community. Problems which might have easily been overcome if the fast economic growth of the 90s had been maintained, immediately became very serious both institutionally for the Community and in practical terms for agriculture and industry. Renegotiation needs arose early on and many of the basic problems incorporated in the mandate of 30 May 1980 remain unresolved today.

Likewise, the second enlargement from nine to ten has raised problems and further adjustments are being sought by the new member which still have to be resolved. In my view, this in no way vitiates the necessity of further enlargement of the Community. Enlargement creates the dynamic factor needed to keep the Community alive and up to date. It does, however, necessitate great care and objective realism in carrying out the negotiations so that the terms can be not only fair to both parties, but operated successfully after accession. This draws attention to the institutional needs of the Community of the Ten itself. This subject has often been discussed and debated in this Chamber, and is foremost in the minds of the Council of Ministers. But it must be solved without

further delay if further enlargement is to be successfully achieved on time.

It is significant that in all of the contributions by committees to the Douro report, there was no report from the Committee on Budgets; nor was one received from the new Committee on Institutional Affairs. These are of course, years of major concern to this House in ensuring that the Community itself is both prepared from the financial and from the institutional point of view to make a success of enlargement.

Mr Sutra's report initiated a little earlier than that of Lord Douro handles in great detail the agricultural problems of enlargement which it believes will be caused by the shift of the centre of gravity of an enlarged Community more towards the South. We may not agree with all its proposals but it is quite clear that it is not solely southern agriculture but also northern horticulture in particular which may be put at risk unless suitable arrangements can be made for the development of the CAP to meet the new requirements of an enlarged Community, particularly as it must be reformed to meet the present needs of the Ten.

Likewise the industrial consequences of enlargement must be carefully worked out. It is significant that the first paragraph of the report by the Committee on Economic and Monetary Affairs warned against, and I quote 'an over-emphasis on agricultural impacts of enlargement' and points out the very real need for the industrial as well as the wider economic aspects of enlargement to be taken more fully into account. Those working in the joint parliamentary committees between the European Parliament and the Portuguese and Spanish parliamentary delegations have discussed these matters in great detail. They are very well known to our constituents and to the industrial and trade bodies which represent them. They are very well known to the Commission, to the Council of Ministers and to the European Council. I do not need to repeat them in detail here. I must however, warn that the slowness with which negotiations have proceeded to date and the fear that further delays may occur put increasing strain on the Community in settling these matters.

The world is changing all the time and the 1970 EEC-Spain commercial agreement and the 1972 EEC-Portugal free trade agreement are becoming increasingly out-of-date and irrelevant. I need only quote the fast growth of the motor vehicle industry in Spain and the proposals of Portugal in face of the great pressure on the Community motor manufacturing industry to illustrate the need for change. Likewise I would illustrate the important need to make changes in the patent and licensing position between especially Spain and Community countries.

However, I will close my remarks as I started, by confirming the overriding need of Europe for enlarge-

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ment. But we must remember that unless the Community's arrangements on finance are changed, it will not be financed by two of the major Member States only but on enlargement, Portugal, with less than half of the GDP per head of Greece and Ireland and Italy will join Germany and Britain as the only net budgetary contributors. What could be more ridiculous?

Mr President, gentlemen, I must ask that we get a very clear statement today from the Commission and that the Council of Ministers and the European Council likewise give clear statements after their meeting.

IN THE CHAIR: MR ESTGEN

Vice-President

President. — I call Mr Vitale.

Mr Vitale. — *(IT)* Mr President, ladies and gentlemen, more than five years have passed since Spain and Portugal applied for membership, and how can we fail to notice the basic contradiction between the almost unanimously acknowledged need to respond to a major political problem and the exasperating slowness of the negotiations on the real problems, which are known to all of us and which have been mentioned again here: removal of tariff barriers, agriculture and so on?

We have to think about this contradiction because the gap between words and action depends on the answer we come up with to a question which is not of an economic or technical nature but quite simply political. Is the Community ready to think about some aspects of its internal organization, about its operating procedures, so that there can be proper integration, in all the respects I have mentioned, of the Iberian economy and with it the economy of the whole Mediterranean area of Europe? Or is what we are seeking nothing more than an annex to a building that is considered practically condemned. This is the problem — and I repeat that it is a political one — which has not yet been dealt with clearly, with the result that the negotiations have tapered off into countless deadends.

There is a certain attraction — although it is of course not the ideal solution — in the idea of getting round this contradiction by opting for political accession now and putting off the real problems until later. Naturally, we shall be delighted if the Spanish representatives take their place right away — we hope they do — in the various institutional bodies of the Community. But that will not get rid of the contradiction.

Mr Sutra has tried to move a step forward with his analysis of the agricultural problems. He is moving

forward when he says — and we agree with him — that the arrangements governing Mediterranean products need to be reviewed before accession. He is moving forward when he states that we need to improve the guarantees for Mediterranean products, without any disproportionate burden on the budget, and that we must therefore review the arrangements that place a tremendous burden on the budget. We agree if this means decisive action on milk surpluses and cereal refunds — and Mr Sutra did not say this but it is I who am saying so. Is this not the thrust of the reform of the common agricultural policy which we Communists have been urging for years? How can you fail to see the contradiction between what Mr Sutra says and what Lord Douro says? Looking at things from the budgetary angle, Lord Douro finds consolation in the fact that, although we are going to have olive oil and wine surpluses, Spain is nevertheless going to provide a market for our milk and meat and cereals. He takes it for granted that Spain — like Italy and Greece for that matter — will not aim for growth in these very sectors, thus confirming the policy of surpluses.

There are also contradictions when it comes to the transitional period, since it is clear that this could be longer or shorter, depending on whether the regulations are changed before or after accession.

Contradiction and ambiguity also exist with regard to the limits on imports from third countries, because it is one thing to limit imports of soya bean and maize gluten from the United States and quite another — and we are against this, to seek a reduction in the imports of olive oil from Tunisia or of fruit and vegetables from Morocco.

Mr President, these are the real problems to which we must have clear answers at the end of this debate. It is not enough to reiterate our political desire to see Spain in the Community. It is on these real problems, Mr Natali, that we are expecting you to shed some light. These are the crucial points by which our political will and our commitment to Spain — the pledge Mr Diana was talking about — and our commitment to democracy and the cultural and political progress of Europe will be judged.

President. — I call Mr Galland.

Mr Galland. — *(FR)* Mr President, ladies and gentlemen, if to govern is to see ahead, it is also to have the courage to assume certain responsibilities. Our governments have had time to exercise these fundamental qualities in respect of the dossier which interests us today, namely the enlargement of the Community to include Portugal and Spain. And the least that can be said is that the results are disappointing.

I have said enlargement to include Portugal and Spain, contrary to the customary reference to 'enlargement

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to include Spain and Portugal'. I admit that I was surprised by title B of the motion for a resolution. I quote: 'considering the applications for accession to the Community made by Spain on 28 July 1977 and by Portugal on 28 March 1977, etc.'. Why should Portugal be placed systematically in second place even when its application for accession was made four months before that of Spain? This mistake is revealing. And in pointing it out I am not trying to split hairs. I simply wish to draw the Council's and the Commission's attention to a fact which ought to have directed the negotiations differently: these are two different countries which did not submit their applications for accession on the same date and the problems which they pose for the Community, or which their entry to the Common Market poses for the countries themselves, are to a large extent dissimilar. Consequently, one can question the validity of trying to link both dossiers in practice. I will return to this point.

In passing, I am happy to note the quality of the motion for a resolution by Lord Douro, while sharing the reservations expressed by my colleague, Mrs von Alemann. The dossiers are proof of the interest and seriousness with which our Parliament views the problem of enlargement, because no less than 11 parliamentary committees have worked on this question. And I believe that, from the point of view of the European Parliament, the issues are clear, whatever the technical objectives — either restoring the balance of the Community towards the south, new relations with some countries of Africa and Latin America, industrial prospects in the two applicant countries — and whatever the real difficulties, the foremost of these being of course a transitional period and measures of protection and adjustment, in particular for Mediterranean agriculture in the Ten.

When dictatorships become democracies and apply for accession, and when one observes the rise in totalitarianism in the world, we would be very blind or very weak not to be able to draw conclusions from this, particularly in Spain, where the need to strengthen this young democracy as soon as possible is very evident. This does not mean that we must negotiate at any price, but simply means that we would succeed, and within the time limits laid down, if there was a will to succeed.

Those who are governing our European countries today were not all in power at the time of the application for accession in 1977, but they were all, without exception, in favour of enlargement. And they all knew the difficulties involved. I leave aside Greece of course, because if one had believed the statements of its leaders, it would be outside the Community today, whereas it is a member, and very happily so, and intends to remain one.

Of course the French Communist Party, which today participates in the Government of France, has always been opposed to enlargement. This is logical since pro-

tectionism is one of its stock arguments. And one cannot say that the defence of democracy — as we conceive it — and communism form happy bedfellows. Furthermore, the Portuguese Communist Party, which is not in power, thankfully, is opposed to Portugal's entry to the Community. Indeed, ladies and gentlemen, the Portuguese Communists are critical and fear a catastrophe for the Portuguese economy should their country enter the Community. It is the same catastrophe that you, the French Communists, fear for the French economy. The dialectics used are transparent, the contradictions evident, but they are obviously and unfortunately being fuelled, since the accession dossier is making no headway.

And in this context, let me be clear: we are convinced that, excluding a miraculous leap forward, the negotiations will not be concluded in six weeks and it is sheer hypocrisy to try to make people believe that this is possible! I ask the Commission and the Council to be realistic. The two applicant countries must enter as quickly as possible, that is certain. But why not treat the two dossiers separately? We all know that it is possible to conclude Portugal's accession rapidly. So do it. Do not take unnecessary risks but act and get things done. Be obsessed by the fact that in Portugal the adversaries of accession are gaining ground every day, that scepticism is increasing and that the situation tomorrow may well not be that which exists today. What regrets we would have then!

Finally, in the hope that my words will reach the Council, I say to it: 'Stop writing the script for this cheap play'. At present we are at the beginning of the third act, where the father says to the suitor: 'I would like you to enter my house, but wait until I have settled my family problems. Only then will you have the right to love each other!' Even if the principal author, François Mitterrand, is a gifted writer, it is time to put an end to these pretences, these hypocrisies, this lack of political courage. Of course, there are problems in the Community, major and varied problems. We are well aware of them. We have been denouncing them here for three and a half years. In any event they cannot explain or justify delaying accession. In this I do not share the opinion of some of my colleagues. Because if we must settle our institutional problems, let us not make it a condition for the accession of Spain and Portugal! If so, they may as well be prepared to enter when pigs fly. In particular, as we well know, and as the Douro report shows, the problem of own resources arises with enlargement. From this point of view it will be necessary to reduce the VAT ceiling. Then, my Christian Democrat colleagues, I say to you: 'Let us enlarge quickly. It is one way of finding a speedier solution to the problem of our own resources, because otherwise we will be forced to find one'.

Mr President, I am about to conclude. When one turns a page in history, there are always risks involved. Enlargement presents social, industrial and agricul-

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tural dangers. And perhaps, Lord Douro, Articles 42 and 44 of the motion for a resolution are dangerous, because they could generate over-production in sectors which already have a surplus.

However, if there had been genuine political will on the part of the Council, solutions would already have been found to numerous difficulties, and we know that in some sectors transitional periods will be necessary to alleviate our problems. This is why we will vote in favour of the Douro report, which demonstrates this political will. It alone gives us the hope that we may be able to say in the corridors of our Assembly, in January 1984, *bom dia* and perhaps even *buenos dias*.

(Applause from the right)

President. — I call Mr Vié.

Mr Vié. — (FR) With so little time allotted to discuss such important subjects we are obliged to leave out the details and concentrate all our attention on the political approach to the problem of enlargement.

It is of course a simplification, but the problem can be approached in two ways. The first is to say to the applicants: 'Here are all the obstacles you must surmount; if you succeed we will accept you into our club and you will be regarded as good Europeans'.

Obviously this type of approach, which denies Spain and Portugal the right to be called Europeans until they have undergone a form of initiation, is hardly likely to arouse any enthusiasm in those countries.

The second approach is to tell these two countries what should already be obvious: 'You are Europeans. This is an established historical fact and none of us have any right to dispute it'.

But what is at the heart of the matter? A European edifice constructed 25 years ago and, rightly or wrongly, based on economic interests. There are therefore rules to be learned before the game can begin.

You do not invite new players to your table with the deliberate intention of making them lose; you aim to give them an equal chance of winning or losing. However, our European game has a special characteristic. We are convinced that there is more to be gained than lost. There is no miracle involved here. Simply, the stakes are felt to consist of more than material interests; there are also non-measurable advantages, basic notions such as 'security' and 'freedom'. The advantage of ideas over material goods is that by sharing them you become richer rather than poorer. Remember the famous allegory: you have a dollar, I have a dollar, we exchange our dollars but we still each have only a dollar; you have an idea, I have an idea, we exchange our ideas and we each have two ideas.

As we say in our jargon, there are preconditions to accession, but they should not be regarded as an obstacle course which the applicant must complete without faults before being accepted. As I have already said, the applicant simply needs to be taught the rules of the game, for it is obvious that Spain and Portugal qualify to join the European club. By concentrating on the obstacles one ends up not being able to see the wood for the trees, although of course concentrating entirely on the wood does not mean one should forget that there are pathways through it.

This is no pie-in-the-sky approach. We all know that there are difficulties. Nor are we relying on goodwill, as though goodwill alone could make obstacles disappear. It would not make them disappear but would simply bypass them. What is needed is the genuine political will to build a united Europe, based on the principle — as I said before — that there is more to be gained than lost. We need to find a way not merely of bypassing the obstacles but of completely eliminating them, and I believe that the Commission is making great efforts in this direction. In addition, we need the support of the people we represent, based on the conviction that the larger Europe becomes the more each one of us will be required to respect the freedom of others.

If, however, each of us were to retreat from our present problems into splendid isolation there would soon be no more freedom, and our ancient continent would cease to have any attraction for the numerous peoples of the world who know nothing but slavery and who are looking to us to overcome our present difficulties and rediscover the very essence of European civilization. This is no empty term, no hollow concept: European civilization did exist and still exists — all it needs is our faith, tenacity and determination.

President. — I call Mr Pesmazoglou.

Mr Pesmazoglou. — (GR) Mr President, I would like to express my full support for the speediest possible accession of Spain and Portugal. I believe that these two countries should become full members of the European Community at the same time. Moreover, Mr President, I wish to emphasize that geopolitical considerations and political and economic arguments which concern all the peoples of Europe speak in favour of the accession of Spain and Portugal to the European Community.

Mr President, it was said this morning that Greece may withdraw from the European Community. I would like to say categorically that it is the will of the Greek people that Greece should remain firmly in the European Community. Of course, this does not mean that Greece will not put forward proposals, arguments and specific solutions of relevance to all the Mediterranean peoples and the European Community as a

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whole. However, constitutionally and politically it is inconceivable that Greece should withdraw from the European Community, and I would like to say that any continuing doubts on this point should be put aside as rapidly as possible. Greece will remain in the European Community and will demand its rights and suggest solutions of interest to all the peoples of the European Community, and particularly to the Mediterranean peoples.

Having said this, Mr President, I would like to make three observations:

The first concerns the fact that the new enlargement is a democratic duty and an expression of democratic solidarity, as was emphasized both by Mrs Spaak and by many others in the House. However, if there is an institutional problem, if there are doubts as to whether a Community of Twelve can function when difficulties exist in the functioning of the Community of Ten, the answer is that we must accelerate the reforms which, one way or the other, are necessary for the European Community and for progress towards a politically united Europe. This is necessary for all of us, and the accession of Spain and Portugal makes it essential to speed up all these procedures.

My second comment is that problems there certainly are, and this morning Miss Hooper referred to the problems which Greece brought in tow. However, these problems — problems which are common to all the Mediterranean countries — call for solutions which also concern the peoples of the North and the entire European Community. They can be solved, as other members have also pointed out, with the aid of transitional arrangements, with reasonable transitional periods, and with transitional provisions such as those in the Greek Act of Accession; however, they can never be solved through special relations or by departing from the general rules of the Community and, naturally, they can never be solved by an approach which is based on the idea of a Europe of two or more tiers. The unity of Europe, the unity of its principles and rules, must be protected, because it has a bearing on the unity and cohesion of all the countries of Europe.

Mr President, my third comment is that implementation of a policy for the Mediterranean regions concerns not just the Mediterranean peoples only. It concerns the entire European Community, and it is the way to combat the economic crisis and to tackle the problem of unemployment and inflation in a responsible and organized manner. Consequently, there is every reason to speed up the procedures for the accession of Spain and Portugal, and I believe, Mr President, that there will be an overwhelming majority in favour of the motion and that the peoples of Spain and Portugal will be invited to join the European Community and to partake in the political unity we are striving to achieve for Europe.

President. — I call Mr Didò.

Mr Didò. — *(IT)* Mr President, none of us has any doubts about the political importance of the accession of Spain and Portugal to the European Community, not only for the positive effects this will have in strengthening democracy in these countries but also for the effects it will have in consolidating peace throughout Europe. This enlargement will also help the Community to develop its relations with South America and the Arab world and it will boost the role of Europe and improve our opportunities of cooperation with the developing countries.

We are all equally aware, however, that the economic and social integration of Spain and Portugal in the Community raises complex problems for the applicant countries as well as for the Member States, and also for the Mediterranean countries with which the Community has special agreements. The question that has to be decided is whether we go ahead with the scheduled date of 1 January 1984 for the accession of the applicant countries or whether the date has to be put back until we have solved the problems facing us, particularly in the agricultural sector.

Most of the Members in the Socialist Group take the view that the question should not be put in this way and that we should go ahead with the political accession of Spain and Portugal on 1 January 1984 as planned. Of course, in some sectors transitional periods of varying lengths will be needed — and there will have to be agreement on this — so that there can be a gradual solution to the problems facing us. The fact is that many of these problems will not stem from enlargement but already exist and require an urgent solution within the Community of the Ten.

When you get down to it, tackling the problems of enlargement means tackling the problem of giving a boost to the process of integration, since this cannot be put off any longer. Unless this is done, we are not only going to fail to meet the conditions for enlargement but we are also going to slide towards a breakup of the Community in its present form. The dangers of resurgent protectionism and the trend towards agreements concluded outside the Community by certain Member States and firms in the Community is caused basically by the inability of the Community to come up with fresh common policies, perfect the monetary system, increase its own resources and reform the common agricultural policy.

The proposed plan for the Mediterranean, which has already been approved by this Parliament, has not yet been looked at by the Council. We urgently need new arrangements for Mediterranean agricultural products — wine, fruit and vegetables, and especially olive oil — but the Council still cannot manage to agree, on account of the differences which exist between the governments of the northern Member States and those

Didò

of the southern countries. These are problems which affect enlargement and they must be solved as quickly as possible, quite apart from the matter of Spanish and Portuguese membership. The imbalance which exists in the arrangements for northern agricultural products in comparison with Mediterranean products is becoming more and more intolerable, and something will have to be done about it if we really want to strengthen or revive Europe.

Delaying the accession of Spain and Portugal will not solve our problems but will simply postpone the solution to them, and the people who will suffer will not be the Spanish and the Portuguese but the people in the southern regions of the Community we have at the moment. We go along with the main thrust of the motion for a resolution which Lord Douro has tabled on behalf of the Political Affairs Committee and we do feel that it is a good idea to involve Spanish and Portuguese representatives as from now in all the discussions, starting with political cooperation, which take place at the various levels of the Community institutions whenever matters of common interest arise. In particular, we feel it is important for members of the Spanish and Portuguese parliaments to attend meetings of our parliamentary committees whenever the agenda includes questions which concern the applicant countries or which are of special interest to them.

This is the way we should go about strengthening this Community of ours, Mr President. We need real action and not a lot of tub-thumping propaganda.

President. — I call Mr Bournias.

Mr Bournias. — *(GR)* Mr President, I am well aware of the problems raised by the accession of Portugal and Spain — which was decided upon years ago — at this critical moment for the Community.

I am a member of the Political Affairs Committee and I contributed to the discussions on Lord Douro's interim report, which constitutes a praiseworthy attempt to examine all the aspects of the issue in a serious and responsible manner. Together with my colleagues I voted in favour of this report, and its unanimous approval — I repeat unanimous — by the Political Affairs Committee facilitates Parliament's decision here today. I am aware of the difficulties posed by enlargement and of the hesitation of certain Member States for purely economic reasons. However, I think that any postponement of enlargement would not be in keeping with the repeated affirmations that accession should take place by 1 January 1984 at the latest, in view of the political and strategic significance of these two countries for the defence of the West. The postponement or frustration of these countries' acces-

sion would check the expansion of the world-wide political and economic influence of the EEC, which was greatly enhanced by the two previous enlargements. Moreover, the last enlargement was based on political reasons and on Greece's geographical position. The rates of unemployment and inflation and the balance of payments deficits in Portugal and Spain are far higher than the average in the Ten, and their entry will have repercussions on the Mediterranean areas of the Community, such as my country, which have similar agricultural products such as wine, tobacco and olive oil, and on the Mediterranean countries with which the EEC has concluded commercial agreements. It will therefore be necessary to modify and adapt Community policy on agriculture, fisheries, transport and employment and in the regional and social fields.

Lord Douro's interim report touches on all these issues, including the transitional periods which will be required; it suggests solutions which are feasible at present, and it very correctly refers to the Parliament's resolution of 1981 concerning a Mediterranean Plan, in view of the fact that the Regional Fund will not be able to cope with the economic difficulties which will arise from the enlargement. Thus, new and radical measures will be required to solve the Mediterranean problems which the EEC has been examining for decades. The time has come for courageous decisions, and I therefore applaud the declaration made today by the other rapporteur, Mr Sutra, who said 'yes, a hundred times yes, to the Mediterranean Plan'.

In conclusion, Mr President, I hope that both Parliament and the Council will place the political advantages of the accession of these two Mediterranean countries, which share our democratic principles, above the economic and other obstacles. This is the opinion of the Greek Euro-MPs of the New Democracy Party, the party which championed and achieved the accession of Greece. As regards the observation made by one member today that Greece may withdraw from the EEC, I would like to assure you that such a suicidal act would run counter to the will of the great majority of the Greek people. Simultaneously with the accession of Portugal and Spain we will join these countries in implementing the necessary institutional changes and enhancing the political and economic influence of the EEC.

(Applause)

3. Welcome

President. — Ladies and gentlemen, I wish to extend a very warm welcome to a delegation of parliamentarians from the ASEAN Interparliamentary Organization, who are seated in the official visitors' gallery.

President

The sixteen members of the delegation come from the five ASEAN countries — Indonesia, Malaysia, the Philippines, Singapore and Thailand — and are in Strasbourg for the third meeting of delegations from the European Parliament and the ASEAN Interparliamentary Organization. These interparliamentary exchanges represent a valuable adjunct to the other ties which bind the European Community and ASEAN, ties which were cemented two years ago with the signing of the EEC-ASEAN Cooperation Agreement.

On behalf of the entire House, I wish the members of the visiting delegation a very pleasant stay and successful discussions here in Strasbourg.

(Applause)

4. *Enlargement of the EEC towards the South* (continuation)

President. — I call Mr Hord.

Mr Hord. — Mr President, the European Democratic Group believes in a strong, united and free Europe. It takes the view that it is right that the entry of Portugal and Spain into the Community should take place as soon as possible. But this morning, Mr President, I want to talk specifically about the Sutra report.

I think it is fair to say that the main thrust of the Sutra report is that the accession of Spain and Portugal can be granted if and only if substantial financial aid is given to the Mediterranean agricultural producers in the Community. He is seeking what amounts to protection for the agricultural industries of the Mediterranean countries at the expense of German and British taxpayers and to the detriment of European consumers generally.

The inference in the report, Mr President, is that there can be no enlargement unless substantial financial aid is given to existing Mediterranean agricultural producers. I would submit, Mr President that this is nothing but ransom money. The reality of the European agricultural policy is that it is in a mess. Surpluses abound and the cost of paying for huge mountains of food year-in-year-out is crippling the Community budget. It really is totally unrealistic for Mediterranean agricultural interests to expect more money to be heaped on to their sectors which are in structural surplus when the surplus situation is to be aggravated by even more production, all at a time when the economies of the ten Member States are in crisis. Let no one be under any illusions, the CAP party has gone on for too long. The trouble is that it is the taxpayer and the consumer who has to suffer the hangover. For southern Europeans to seek to take an even higher share of

the budget, eventually swallowing up all the budget, would clearly plunge the CAP into total ruin.

Mr President, I would like briefly to touch on some of the principal agricultural products. On the wine front we find Mr Sutra calling for output being frozen at its present level. That is encouraging. Nothing like that was said in the Colleselli report. There are ways and means of dealing with our surpluses. However, when we turn to paragraph 20 on alcohol, he is then talking about distillation as being the only means of balancing the markets in wine. So what he is saying is that we should have an alcohol lake and a crisis in alcohol — thus undermining the industrial alcohol producers — in order to get the wine producers off the hook and away from criticism.

On olive oil, nothing would give me greater pleasure than for olive oil to figure very much more in the Community, but the trouble is that it is too expensive. When I was in Italy recently I tried to buy some olive oil, but all I was offered was soya oil, and I learned that that was something like a third of the price. So it seems to me that with production of olive oil increasing and consumption falling, just as happens in so many other agricultural sectors in the Community, we really do have to take a very serious look at the wisdom of supporting so many of these sectors in which demand is falling.

When we look at fruit and vegetables, we see too much poor quality produce which has to be destroyed at the consumer's expense. I believe, Mr President, that the best way forward for the fruit and vegetable producers, not just in southern Europe but throughout the Community, is to invoke the price mechanism. That surely is the best incentive for us to have the proper quality which the consumer seeks.

My group, I should perhaps add, believes that there should be a substantial transition period upon Spanish and Portuguese entry. We believe that very serious consideration must be given to the consequences, or possible consequences, for the Mashreq and Maghreb countries, for Israel and of course, for the 63 ACP countries. We believe that the accession of the Iberian countries affords many opportunities. We believe that those products where we are not self-sufficient in the Community, such as soya and maize, could be encouraged. We also believe that there could be a lot of scope for developing those crops which have energy potential, having regard to the overall crisis that prevails in that sector.

Now, Mr President, Mr Sutra was suggesting earlier that we should have substantial protection for the agricultural sectors in the Mediterranean countries because of the employment situation. However, he must understand that if the prices of agricultural produce go up, the food processors and the consumers will not have anything to do with this produce. Furthermore, the food processors, who constitute a very sub-

Hord

stantial part of the agricultural sector, will themselves go bankrupt, leading to much unemployment. So he must not be so blinkered in concerning himself with the agricultural sector, because the common agricultural policy and the protection of agriculture serve to undermine many other important economic sectors in the Community.

He also referred to the need for discipline. I am a great believer in discipline. Mr President. However, he then goes on to say in paragraph 62 that we need to exceed the 1% VAT ceiling. Yet that is really the only discipline we have got. If you take that discipline away, Mr President, there won't be any discipline at all. I feel therefore, that Mr Sutra should face the fact that his words in print don't measure up to the words he spoke to us this morning.

As Mr Sutra is a French Socialist, I am sure he won't mind me asking him through you, Mr President, what the attitude of the French Socialist Government is to accession. We seem to have a very quixotic stance being adopted by the present Socialist Government in France. Bearing in mind that France is responsible for so much production in those agricultural sectors which are in surplus and that it has so much to lose or gain from agriculture, I would have thought that that Member State would be in the vanguard of the movement to reform the common agricultural a policy, so that we can deal not only with the current crisis in agriculture in the Community but also with the problems which will inevitably arise from the accession of Spain and Portugal.

Mr President, problems will arise from the entry of Spain and Portugal. Like any other problems, they are for solving. The agricultural situation in the Community requires urgent reform. If we can secure realistic reforms in agriculture, we can solve the principal issue confronting us over enlargement. If we do so, we shall have a stronger Community and one that is, both politically and economically, a more respected force in the world. It is a challenge that we must not shirk.

President. — I call Mr Sutra.

Mr Sutra, rapporteur. — (FR) Mr President, I was asked a direct question by Mr Hord. I just wanted to tell him that I am not the person who will be speaking today on behalf of the French Socialists.

President. — I call Mr Efremidis.

Mr Efremidis. — (GR) Mr President, on 19 December 1981 this Assembly expressed its opinion on the accession of Spain and Portugal to the EEC. Today — because the decision then taken was of a general nature — the same Assembly is invited to re-state its position on a resolution which discusses the question

more specifically and in greater detail. It is clear that the purpose of these repeated decisions — as the rapporteur, Lord Douro, himself admitted — is to exert pressure with a view to getting the negotiations moving again and to overcoming the obstacles which have cropped up and to speeding up accession. Pressure is also being exerted in order to overcome the resistance of the workers in the Member States of the Community who view with disquiet the harmful impact which the accession of these two countries will have for them. An attempt is also being made to distract attention from the reservations expressed by certain governments, such as that of France, concerning the new enlargement, and, finally, to counter the centrifugal tendencies which are being strengthened by the powerful anti-EEC movement which exists in England, Denmark and my own country, Greece. However, your reasons for favouring this new accession are confessed in the reports. The reasons are political, they are based on political opportuneness. It is claimed that entry will 'protect' democracy in these countries. Mr President, democracy prevailed in these countries when the two 40-year old pre-war dictatorships were overthrown thanks to the struggle of the working classes, and to this the Community made no contribution whatsoever.

Moreover, the consolidation of democracy in these countries will again depend on the workers' struggle and on socio-economic conditions prevailing in these countries. It is precisely these socio-economic conditions which will deteriorate when these countries enter the Community, so that the development of democracy will run into difficulties. I would like to denounce the role which, directly and indirectly, the Community played in trying to prevent the Portuguese revolution from developing as it might have done after the overthrow of the dictatorship, and I would like to remind you of the Community's stand concerning the tragic case of Turkey, where it is doing nothing to aid the Turkish people. On the contrary, it has helped to maintain the cruel dictatorship — now in civilian clothes — in that country.

Mr President, this enlargement is also bound up with the pursuit of wider economic goals and with economic exploitation. Tens of millions of consumers will join the Community, and the per capita demand for goods will increase, to the advantage of the industrially developed countries. The large monopoly interests in the developed countries will have opportunities to expand not only within the Community but — in view of the traditional and linguistic links of Spain and Portugal — towards Africa and Latin America as well.

These are the real reasons, and not the ones invoked in the reports and by many of the speakers. Mr President, I would point out that accession will have exceptionally severe repercussions on the Mediterranean regions, and in this context I would like to draw attention to the very distressing experience of my own country, Greece, where farmers' incomes dropped by

Efremidis

7% within one year of accession. Hundreds of thousands of valuable agricultural products are being buried, and for the first time the balance of trade with the Community has been severely negative.

Mr President, we are opposed to the resolution for all these reasons, we are opposed to this enlargement, and we remain consistent in our view that our country should not have entered. Now that it has done so, our people desire and are fighting for withdrawal — despite what some right-wing Greek colleagues have said. Mr President, our position also constitutes an offer of solidarity with the peoples of Spain and Portugal who, if they had the opportunity to be fully informed as regards what is in store, would have risen up against accession.

President. — I call Mr Berkhouwer.

Mr Berkhouwer. — (NL) Mr President, we are on the eve of the third enlargement in the history of the Community and I should like to begin by quoting a Spanish philosopher, Ortega y Gasset, who once said '*Europa es un equilibrio*'. This, I think, is also relevant in connection with this enlargement, particularly as regards the Mediterranean area of the Community in that the European equilibrium will be more fully expressed if, as well as Greece and Italy, the western half of the Mediterranean, the Iberian Peninsula, is joined to Europe.

Mr President, obviously there are various problems and these have already been dealt with at considerable length. I will not go into the nature of the difficulties again except to say that they are of both a substantive and an institutional nature, particularly as regards the principle of unanimity, which must not be allowed to continue. My great hope, Mr President, is that Portugal and Spain will be able to accede to the Community at the same time at the beginning of 1984 so that the populations of those countries will also be able to take part in the elections scheduled for 1984.

Mr President, my political colleagues, i.e. the Liberals, inside and outside this Parliament, have right from the outset stood firmly united behind this idea of enlarging the Community to include Spain and Portugal. In this connection, the overriding consideration is really the fact that it is a political imperative, and a political imperative must take priority over everything else. Both the substantive and institutional problems which arise can and must be solved in the light of this political imperative and only in this light. The then President of France, Mr Giscard d'Estaing, said, during a visit to Madrid, when Spain had announced its wish to join our Community, '*l'Espagne a une vocation européenne*' (Spain has a European vocation).

This is our motto too, Mr President, and the thing now is to act accordingly. This is, as we see it, the

most important point. During the 1960s and 1970s we always told the Greeks, Portuguese and Spaniards that the doors of Europe would be opened for them as soon as their dictatorships were a thing of the past and now, Mr President, we must not just put the doors ajar or try to set up all sorts of obstacles. The existing obstacles must be removed and we should be able to open our doors as wide as possible for the peoples of the Iberian Peninsula who can only enrich us with their contributions in our present endeavour. It is also important in this connection that the Iberian Peninsula serves as a springboard for us Europeans over the Atlantic to Latin America and over the Strait of Gibraltar to the African and Arab countries on other continents and it is remarkable in this connection that seas have always provided a link between countries and continents while mountain ranges continue to divide through the centuries as, for example, in the case of the Pyrenees which have always acted as a barrier between France and Spain.

Mr President, let us not get bogged down in all the technical and, I might even say, bureaucratic palaver surrounding the accession of Spain and Portugal. Europe is more than just bread and wine — distilled into alcohol or otherwise — lemons and olives. There is more to it than that.

(*Interruption from the left*)

Much of our culture stems originally from the Iberian Peninsula and we are therefore faced with the historical task of making our European cultural heritage once more the common property of the European Community which will soon come to comprise almost 300 million people.

President. — I call Mr Geronimi.

Mr Geronimi. — (FR) Mr President, ladies and gentlemen, I would like to take this opportunity to protest about the recent Brussels decision which once again penalizes Corsica by prohibiting the marketing of small game in the form of blackbird pâté or thrush pâté, even though the marketing of these products contributes to the economic development of the region. I consider that this decision will harm Corsica's economic future, especially since, if the EEC is enlarged to include Spain and Portugal, the island's economy will no longer be at all competitive, or will at the very least be badly compromised. A decision of this type takes little account of reality. I therefore appeal to the members of the Commission, in whose effectiveness I still believe, to try to persuade the Council to rescind this decision. In the present context of my island, a land of freedom, storm and fire, such initiatives from Brussels are unacceptable.

Scripta manent, Mr Natali.

President. — I call Mr Fuchs.

Mr Gérard Fuchs. — (*FR*) Mr President, ladies and gentlemen, it was with emotion and joy that the French Socialists heard, on the night of 28 October, of the triumph of the Socialist Party in the Spanish General election. After so many years of suffering and struggle against fascism, followed by an easier, yet still dangerous struggle to consolidate a still fragile democracy, the Spanish people had demonstrated their political maturity and, despite recent militaristic stirrings, had shown that Spain too could produce a constitutionally elected alternative party. And yet we can no more vote for the motion associated with the Douro report today than we could yesterday, for the report's approach to the problem of enlargement seems to us misguided. We see no sense in deciding *a priori* on an accession date, particularly a date which is now universally agreed to be very unrealistic. The first thing that needs to be done is to find solutions to the very real problems which exist, otherwise, instead of proving a source of progress for all parties, enlargement could lead to tensions and continual disputes and end up being regretted by everyone, Member States and applicants alike.

We know what these problems are. They are problems of men and women, problems of money, problems of time. Problems of men and women firstly, for it would be intolerable if thousands of agricultural workers in the Mediterranean regions and thousands of workers in the struggling industrial sectors were suddenly to find their jobs and livelihoods imperilled. Problems of money secondly, for it will be essential to create new or strengthened structural policies — Mediterranean agriculture, fishing, regional policy, social policy — if the very real dangers which I have outlined are to be avoided. These policies will be expensive, and we will all need to pay our share. Whatever Mr Hord may think the 1% VAT ceiling will have to be exceeded. Finally, problems of time, for the tremendous social problems cannot be solved by money alone; negotiations are also needed, and negotiations take time. Ladies and gentlemen, we are convinced, for our part, that all these problems can be solved. We are pleased to see the European Council of June requesting the Commission to produce an updated list of the problems and to put forward solutions. We hope that the accession negotiations can be completed as soon as possible, and that all the existing problems can be solved in the process.

I would like to finish by expressing a conviction and a hope. The conviction is that the French and Spanish Governments, both desirous of a strong and united Europe but both also concerned to see the legitimate interests of the agricultural and industrial workers of their respective countries upheld, will find discussions easier in future. The hope is that the other governments of the present Community will take full cognizance of the consequences, including the financial con-

sequences, of their discussions, for the truth is that, despite the all-too-frequent assertions by certain parties, the problem of enlargement is not purely a Franco-Spanish affair. It reveals the attitudes towards Europe of all the Member States of the present Community of Ten. I would say to all my European colleagues, and to all our Spanish and Portuguese friends listening to this debate, that our Community is today being put to the test. I can assure you that those who are talking loudest about the problems are not necessarily those least desirous of overcoming them.

President. — I call Mr Buttafuoco.

Mr Buttafuoco. — (*IT*) Mr President, ladies and gentlemen, the future accession of Spain and Portugal to the European Community is of great political importance, since without these countries, political and economic union in Europe would be inconceivable.

Their long-awaited accession, which has been eagerly prepared for by all forces in the Community, will of course require further extensive consultations between the European Community and the applicant states on all the new Community policies and economic policy guidelines.

Although this southward expansion will strengthen commercial ties with the Spanish and Portuguese-speaking countries of Latin America and Africa, it will nevertheless cause serious problems for the Mediterranean regions of the Community, whose economy is similar to that of the applicant states, and as I am Sicilian I hope that you will allow me to stress the point. The only way to solve these problems is to try to forge a new policy for the products, trade and overall economy of the Mediterranean area as of now. Measures will have to be taken to restructure ailing industries and expand technologically advanced sectors. The transport sector is very closely linked with agriculture, and the Community should make allowances for the change in circumstances and recognize the need to broaden its regional policies to meet the requirements of the new Mediterranean areas formed by the accession of Spain and Portugal. The Community will have to help to solve all the problems that arise by facilitating the free movement of goods and merchandise and by preventing unfair competition, so as to achieve a harmonized policy. It all depends basically on the Community's willingness to increase its own resources.

We therefore by and large support these reports, while stressing that sufficient consideration should be given to the importance of the agricultural sector, and in particular to the caution which must be exercised in allowing further surface irrigation, the need for an appropriate transitional period and the increase in the number of products qualifying for the interventions which maintain Community preference at its maximum level.

Buttafuoco

With these provisos, we approve these two reports which aim to promote Spain and Portugal's accession to the Community within the given time-limits.

President. — I call Mrs Rabbethge.

Mrs Rabbethge. — (DE) Mr President, dear colleagues, allow me to draw your attention to a number of positive aspects, because I would like to speak out against the reservations which have been expressed in some quarters and against a certain tendency towards weak-heartedness. If the European Community is so attractive to a large number of countries that they have applied for and indeed appealed for accession the Community cannot be as bad as it is often presented in the media, at least within the Community itself. Perhaps the lively debate we are holding today can contribute something towards improving the picture.

In the past few days and weeks the great importance of the Latin American continent for the future economic policy of the European Community has become clearer to the peoples in our Member States, but finally also to this Parliament. Spain and Portugal can contribute immensely to the joint tasks which will be necessary in future throughout this region, because as former mother countries they were the first and most successful in overcoming the initial alienation shortly after decolonization.

Churchill called this nebulous phenomenon the 'mystic veil of Hispanidad', a far-reaching intellectual and cultural bond which it is difficult for us in Northern Europe to understand, a bond which extends beyond the rational and which reaches back to the common Latin European roots, but which can still be experienced in day-to-day political affairs. In all our future activities in the Latin American region this ability to exert influence on the basis of similarity and kinship is of inestimable value.

A further positive aspect of accession concerns the great geographic importance of both countries from the point of view of safety and defence. This is so obvious that there is no need for me to expand on it.

A brief word of warning: frank and cordial as may be the welcome we extend to Spain and Portugal, the negotiating parties should ensure, perhaps more so than hitherto, that the game is played with open cards. We must say clearly what can and what cannot be done. It would be incorrect to wake false or excessively high expectations. We must avoid repeating past mistakes. However, our new partners must also realize that solidarity is not a one-way street. This must apply to both sides at the negotiating table. It is better to work patiently than to settle for ambiguities under pressure, something which would inevitably lead to conflicts. With this brief comment I would like to

express my endorsement of the report under discussion and *un cordial bienvenido a España y Portugal*.

(Applause)

IN THE CHAIR: MR VANDEWIELE

Vice-President

President. — I call Lord Bethell.

Lord Bethell. — Mr President, the 18 000 people of Gibraltar are the only Community citizens who are not formally represented in this Assembly. I therefore hope that the House will allow me two minutes to explain some of their preoccupations in the light of imminent Spanish accession to the Community and to put forward these remarks on behalf of the Gibraltar in Europe Representation Group, which has been appointed by the Assembly of Gibraltar to look after their interests.

As colleagues will be aware, the frontier between Gibraltar and Spain has been closed for many years, and this is not — I think most of us will agree — in the European spirit. This is why we welcome the decision and the pledge by the new Socialist Government of Spain to lift the blockade of Gibraltar and why some of my honourable friends and I have put down an amendment to Lord Douro's report to this effect. I very much hope that this amendment will be supported by the House and that the frontier will be opened according to the new government's pledge within a very few weeks. This will remove an irritant and a barrier not only to communication between two European peoples, but a serious barrier in the face of Spanish accession should it persist. Let us trust that it will not.

There is also, I would submit, a problem concerned with the presence of a small territory of 5 square kilometres on the edge of a very large and powerful and great European country. I hope that Mr Natali, when he winds up, will be able to give us some indication of how far he has considered the problems concerning right of establishment and free movement of labour between Spain and Gibraltar after accession. It would obviously be wrong if any political mass movement of business or capital or labour into Gibraltar were to take place after accession using European laws. Perhaps something along the lines of the Luxembourg Protocol could be considered in this connection.

Mr President, I can assure the House that there is no intention on the part of either the United Kingdom or the British people of Gibraltar to make this issue a

Bethell

complicated barrier to Spanish accession. No one wants that. But I hope that Mr Natali will be able to assure us that these 18 000 Community citizens are being taken into account, their right to self-determination is being considered and that their interests will be kept under close review.

President. — I call Mr Maffre-Baugé.

Mr Maffre-Baugé. — (*FR*) Mr President, ladies and gentlemen, the pretext of democracy put forward by the daredevil advocates of enlargement cannot hide the mass of commercial and industrial interests which they are defending. Consider the recent assertion by one of the Commissioners, Mr Narjes, that in the enlarged Community containing Spain and Portugal the weakest cannot be allowed to dictate the pace of development. Put plainly, this means that we must bend the knee, take a back seat, allow ourselves to be ruled by the pressure groups from the North. They have conceived enlargement for commercial ends; they want to distort competition so as to lay their hands on cheap Mediterranean produce. Of course they conceal their self-centred policies within a fancy web of fine words and high-flown principles: they want, they say, to strengthen democracy. But beneath this philosophical cover they are in fact slaving to exploit the production capacity of the workers and peasants. After a hard fight lasting many months we have scored a notable success with the Council decision of June 1982 calling for a pause in the negotiations and requiring the Commission to submit an inventory of the problems involved. It will give food for thought to the hot-heads who gloss over the considerable economic and social difficulties which enlargement will bring.

Mr Douro was well aware of this in his report. He cannot hide his disappointment. It encourages us to press on with our demands for clarification. For my own part, it represents the essence of my commitment in this House on behalf of all those who stand to lose from enlargement.

It is now up to the Commission to respect the Council's decision and let us know the latter's true intentions. Fine statements and a show of good intentions will not do. The Commission must state frankly what effects enlargement will have not only on the agriculture and economy of my native regions but also on employment in the applicant countries and on our relations with the Mediterranean and ACP countries. As things stand at present, unemployment would affect 16% of the active population if enlargement took place in 1985.

Have our computers suddenly broken down, or is there some fear of publishing the results obtained? Enormous problems already exist in the Community of Ten: wine, fruit, vegetables, olive oil. Enlargement would see them multiplied to the nth degree, and the Commission cannot deny this.

It is true that various preconditions have been set and guarantees given to prevent the worst. But these are mere placebos, incapable of curing the economic cancer which will cripple various sectors and fan the flames of free-for-all competition between our peoples. There are many lessons to be learned from the accession of the United Kingdom. We started off granting derogations and ended up enmeshed in a constant round of renegotiations and challenges to the basic principles governing the Community.

We are being asked to strike a fools' bargain. We are being offered long-winded discussions. The majority in this House is about to embroil Europe in an adventure which looks like demolishing all the safeguards provided for in the Treaty of Rome. With the stakes so high, the Council of Ministers cannot possibly agree to the accession of Spain and Portugal being rushed through on 1 January 1984, as many here would like.

Let me be clear. In opposing enlargement I in no way wish to ostracize the applicant countries, with which I, as a native of Languedoc, feel a great deal more closeness and solidarity than certain hypocrites who claim to defend us while having long since established their hegemony over the peoples of the Mediterranean. I do not feel that defending the interests of my own region runs counter to the interests of the people in the applicant countries. Perhaps I have upset certain financial interests or certain capitalists' political games. That is a different matter. Although against enlargement I would like to see closer cooperation with these sister-countries, based on mutual benefit and respect for our diverse economies.

(*Applause*)

President. — I call Mr De Gucht.

Mr De Gucht. — (*NL*) In the preamble to the Treaty of Rome to which the Community owes its establishment, we find the following phrase:

... resolved by thus pooling their resources to preserve and strengthen peace and liberty, and calling upon the other peoples of Europe who share their ideal to join in their efforts.

Thus, the enlargement of the Community is not an exceptional phenomenon, but was laid down in the Treaties themselves right from the outset. It was and continues to be a clear and commendable political option, i.e. to unite the democratic countries of Europe in a lasting political union, which does not mean that no serious problems might arise or even that the Community might be put out of joint or further out of joint when it comes to putting this option into practice.

Whereas in the case of the accession of the United Kingdom, Ireland and, later, Denmark, the problems

De Gucht

were primarily of a purely political nature, economic problems are the centre of attention in the present instance. However, it would be a good idea, as I see it, to look at the economic problems from an institutional angle for once. This Parliament has repeatedly stressed the inefficiency of the Community from the institutional point of view. These shortcomings, including in particular the rule of unanimity in the Council and the Commission's lack of political weight, are particularly apparent in the case of this enlargement and here and there proposals are again being made with a view to making improvements — indeed we recently had a report on this subject.

Ladies and gentlemen, in the case of the rule of unanimity, for example, there are no procedures aimed at alleviating the situation — all one can do is dispense with unanimity and return to the Treaties. Whatever fine schemes are developed, not one of them would prevent a Member State using its right of veto when it really wants to, and there will be opportunities enough when one considers the enormous economic problems arising. A failure to return to the Treaties will soon bring the Community into a complete *impasse*. However, the political will to make this return to the Treaties would not appear to be present. I am thinking, in the context of this enlargement, primarily of France, but you can rest assured that when it comes to the crunch, when so-called vital interests are at stake, all the Member States will have their vetos in readiness. Unanimity is an epidemic which can only be rooted out by preventive action.

I should like to emphasize a point which we perhaps all too often forget. Democracy in Spain and Portugal is still in its infancy. We proclaim that the strengthening of democracy is one of the main reasons for the accession and this is quite right, I think, but be careful. The theatricals which the Community indulges in with incessant blocking of decision-making and inability to act, the antics of a Community which is incapable of doing anything about the economic crisis are in themselves a threat to democracy. Anti-democratic forces often reproach democracy for its inaction, its lack of system and its inability to make decisions — the usual jibes against parliamentary democracy. However, do we not find genuine examples of these traditional criticisms of democracy in the events in the Community? Where then is the strengthening of democracy which we so much wish to see for Spain and Portugal?

Moreover, we must beware of effects which militate against our objectives since there are further aspects to the problem of democracy in Spain and Portugal. Recent events have shown us that Spain may indeed have achieved democracy, but that this achievement is in considerable danger. We would not appear to have heard the last from the right extremists. The Community is an association of the various democratic forces in Europe, but the Treaties contain no provisions whatsoever for measures to be taken against a Member State which strays from the democratic path.

Measures of this kind, such as admonition or suspension, would be the most obvious thing in the world, but they do not exist. In other words, what do we do if Spain and Portugal return to a system of dictatorship or even if civil rights in those countries are substantially restricted? This question is still staring us in the face but the Treaties as they stand provide no answers.

With the enlargement we will once more get a few additional commissioners who will have to be allocated certain responsibilities, not because there is a political need for this, but for the sake of equal distribution of responsibilities among the Member States. These few examples — and there are others — clearly show that we cannot embark on this enlargement without thoroughly reflecting on the institutional setup of the Community. So far, however, this reflection has not been very much in evidence and the political attitudes of certain Member States seem to have got so firmly entrenched that we are not likely to see political developments in the near future. The question remains, however, as to whether there will still be any point in these developments if we wait much longer.

Mr President, in conclusion I should like to draw particular attention to two problems which are in a certain sense connected with the institutional problem — as is obviously the case to a greater or lesser extent with every problem. Firstly, the question of financing. If people are thinking they can develop a Community which will really have something to offer Spain and Portugal on the basis of the present funds, they can forget it. However, are people politically prepared to increase these funds? I would say that they are not. Secondly, *l'Europe à la carte*, to use a perhaps fashionable-sounding phrase, but one which will in fact be of great topical relevance with the forthcoming enlargement. Perhaps it is no longer possible to take a firm line, however much we might like to and however much we are worried about the possible further disintegration of the Community if we make concessions in this area. The debate on this question is a very emotional matter and we will only be able to clear up the problem if we go into it more deeply.

Mr President, the enlargement is an attractive prospect and we are wholeheartedly in favour of it. It is a political decision which we must have the courage to take, but if we fail to draw certain conclusions in this connection, it may also turn out to be a missed opportunity.

President. — I call Mr Romualdi.

Mr Romualdi. — (*IT*) Mr President, ladies and gentlemen, I wholeheartedly agree that the accession of Spain and Portugal to the Community is an event of great political and economic importance which is worthy of any sacrifice by our Parliament and the other Community institutions, as long as this objective is realized.

Romualdi

Unfortunately, in spite of the promises and commitments made, this accession procedure, which began several years ago, has suffered, and continues to suffer, delays. Everyone agrees that it is vital that the Community should expand so as to gradually cover the whole of free Europe, in the hope of eventually embracing the part of Europe which is not free, and which at present is under the yoke of Communist rule, since it is only through encompassing all expressions of its culture and civilization that Europe can once more become the centre of the Western world and hence, gradually, one of the centres of its political power and a bulwark of its defence.

But when it comes to making the necessary decisions, new problems and difficulties always crop up — and it is not only Community countries which are responsible — concerning the fate of the economies of the Mediterranean countries. How, it is asked, can the small Portuguese agricultural economy become integrated into the Mediterranean economy without disturbing or threatening the delicate economic balance of the voters in the southern part of the Community? How can the more important agricultural, but also industrial, economy of Spain be integrated, when the whole of the European Community is suffering an economic crisis? Under what terms and how can the Portuguese escudo and Spanish peseta join the EMS? Indubitably, these are important problems for which a solution cannot easily be found but, ladies and gentlemen, solutions must be found quickly, because it is even more important that this difficult integration process be completed by the end of 1983, when Spain and Portugal will finally join our Community and be in a better position to provide the Community with access to a whole new world of relations with Africa and the enormous area covered by Latin America with greater chances of success.

We shall vote in favour of Lord Douro's report, since it points in this direction and is valuable for the assessments and data it contains, which are vital if we are to proceed without further hesitation.

President. — I call Mr Wettig.

Mr Wettig. — (*DE*) Mr President, dear colleagues, the regrettable point about this debate is that it is being held at such a late stage in our Parliament. In my opinion many of the proposals, in particular the proposals on the agricultural problems contained in Mr Sutra's report, could well have had a positive influence on the negotiations on the accession of Spain and Portugal.

I hope that the Parliament's resolution may yet help clarify certain problems in a number of respects and that it will accelerate the negotiations on the accession of Spain and Portugal.

It is natural enough that Mr Sutra's report should focus mainly on Southern products and neglect other

problems which also play a great role in the agriculture of both applicant countries — after all, these countries produce not only fruit, vegetables and wine, but the livelihood of many farmers in this region also depends on livestock and dairy farming.

These areas will face severe problems unless the Community undertakes great efforts to facilitate accession. It is quite obvious that unless the transitional phase is planned exactly it may have destructive consequences for dairy farming and meat production, because the pressure of competition from the northern European countries will grow to such an extent that the farmers in these regions will hardly be able to withstand it.

As these areas in particular are characterized by a considerable degree of underemployment — concealed unemployment — this competitive pressure could lead to substantial problems involving open unemployment in the applicant countries, unless the transitional period is planned precisely.

Accordingly, particularly in the field of structural policy, all the problems of adaptation must be seen very clearly. In this connection the reform of the agricultural structural directives, which are to be submitted by the Commission next year, must make for more allowances for the applicant countries than in the case of Italy or indeed Greece.

What Mr Sutra has said on the problem of production discipline deserves to be fully endorsed. If accession is to be a success as far as Mediterranean products are concerned, extremely precise planning of production is essential, both as regards quantities and production schedules. Marketing also deserves far closer discussion than in the case of Italy, for example. After all a market for Mediterranean products does exist in the European Community — it is only the marketing structure which at present leaves so much to be desired.

Agricultural research, which is still underdeveloped in the Mediterranean area, must also be adapted and applied to meet specific targets. In my view Mr Sutra has presented a lot of constructive proposals in this connection. The governments and administrations in the applicant countries will have to pay far closer attention to agriculture than in the past. This applies, for example, to Portugal, where — although agriculture has been a political issue since 1975 — very few practical agricultural problems have been solved and scant attention has been paid to the substantial issues in agricultural policy.

Finally a word on the problem of olive oil. In our view the application and extension of the Italian approach, which is also an Italian problem in our agricultural policy, is not a sensible solution for the applicant countries. It would be wiser to concentrate more on adaptation in this area than to seek a solution in taxa-

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tion and in the maintenance of an unsatisfactory system.

If the preparations for enlargement are inadequate the result may be a disaster. However, the Community is rich enough, it has enough ideas and experience to ensure that the accession of these two countries can prove to be a great success for the Community.

President. — I call Mrs Cassanmagnago Cerretti.

Mrs Cassanmagnago Cerretti. — (*IT*) Mr President, ladies and gentlemen, Lord Douro's report on which the European Parliament is called upon to vote, is undoubtedly an extremely important political document, not only because of the range of topics covered and problems dealt with, but also because of the proposals which it contains.

As we know, this is an interim report, since the European Parliament will, at the end of the negotiations, be holding a ratification debate on the entire issue. The word 'interim' should not, however, lead people to think that once the paper has been approved, it should then be debated again right from the beginning.

We realize that the problem of accession is extremely complex and delicate. This is shown by the fact that nearly all our instances have been called upon to produce the various opinions of the individual parliamentary committees which were duly consulted.

The document is therefore made up of these specific contributions and hence marks an important milestone.

What does the European Parliament hope to achieve with this motion?

First of all, its aim is to emphasize its political resolve to speed up the negotiating process, so as to achieve the accession of the applicant countries as soon as possible and then, within a year, the completion of the ratification procedure.

In the section devoted to institutional aspects the motion also illustrates the applicant countries' undertaking to respect the *acquis communautaire*, to facilitate the establishment of transitional measures of reasonable duration, and to allow for full consultation between the Community and the applicant countries.

Specific aspects such as economic, trade and industrial problems, as well as difficulties connected with development and cooperation, culture, the environment and regional and social policy, are also mentioned.

The approach advocated for the finalization and completion of negotiations does, however, seem to be

based more on fears than on courageous long-term proposals.

I shall not discuss individual sections and shall merely make a few points.

The motion gives joint coverage to the problem of the accession of both Spain and Portugal to the Community, even though it is apparent that the negotiations with the two countries are not proceeding at the same rate for the same sectors.

For example, detailed negotiations with Spain on social policy, agriculture and fishing have so far not begun, and in other sectors, such as the customs union for industrial products, external relations and the ECSC, only very slow progress is being made.

Simultaneous negotiations for the accession of both countries is, however, desirable, since a different approach for each country would only delay solutions for the problems and would make accession more difficult.

Nevertheless, it is true that the economic stagnation in both the Community and the applicant countries has made the economic aspect of enlargement more problematic and the problem of unemployment more acute.

No-one is trying to ignore the doubts existing with regard to the two countries, and we must therefore make a determined political effort to overcome all the difficulties standing in the way of their accession, by taking an overall view of the problems.

For the time being, we should demonstrate our willingness to reinforce European unity and at the same time solve the current economic problems, so as to be better able to solve the other problems which will doubtless arise in future.

We must accept our new partners in spite of all our doubts, and indeed theirs.

Although their accession will increase imbalances in the levels of economic and social development, it is also true that Spain and Portugal are equally concerned over possible negative economic and social impact on their countries.

Obviously, we must all make sacrifices. Any attempt to make political progress entails some sacrifice, however.

The format of a political structure for the Europe of 'twelve' is much more attractive than what might at first sight be seen as the possible negative repercussions.

The enlargement of the Community should therefore be seen as a contribution to cooperation and, hence, as an opportunity to achieve the lasting peace which is

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vital for any economic or social development programme.

The myth that the enlarged Community will be ungovernable should be exploded.

As we know, various internal and external factors have had a negative impact on the economic situation in the Community, provoking a deterioration to such an extent that it is now widely doubted that whether remedial steps and tools are really being looked for.

There is no lack of ideas or proposals, and countless motions have been passed by the European Parliament. What is lacking is the political will to implement these proposals and to take timely and effective measures.

Against such a background, the problem posed by enlargement obviously seems more serious than it really is, and this will be even more so in future, unless meanwhile Community policies are implemented here and now to deal with these problems. To note only one example, our own resources pose a problem, since the present 'ceiling' must be raised without further delay.

The subtle influence of national interests must be ignored, and we must have the courage to see beyond our immediate situation and to reconfirm our willingness to make Spain and Portugal's accession into a politically advantageous move which can be perfected economically and is also socially beneficial.

However, we would ask the applicant countries to show proof of their determination to overcome the obstacles, and of their desire to act in the same way as the other Member States, and to renounce beforehand unilateral benefits.

Negotiations based on opportunism would not promote the cause of European integration. If this were the attitude, we might as well stop right now and enjoy the cordial relations which have already been established, confining ourselves at most to further perfecting them. However, we should, on the contrary, be searching for the real common denominator for social and economic growth and progress through solidarity between the peoples of Europe.

My group therefore supports Lord Douro's report, since it believes that this motion will help politically to speed up these negotiations.

(Applause from the centre)

President. — I call Mr Van Minnen.

Mr Van Minnen. — *(NL)* Mr President, doubts have been expressed from all sides here today regarding the

deadline for the accession, i.e. 1 January 1984 — doubts which should not have been raised, since the date has in fact been fixed and the Community institutions themselves have committed themselves to it. Thus, these doubts in fact only detract from our own credibility and, moreover, they are doubts which would be far more appropriate if they were expressed in connection with the stereotyped idea that wherever the Community steps in Good steps in with it.

The point that we should have no illusions has been repeatedly made today. Indeed, we should certainly not have too many illusions about the possibility of the Iberian accession stopping the prosperity gap since, as far as Spain and Portugal are concerned, there is a great risk that the Community will make the gap between the poor and rich regions in Europe even greater, including the social gap between rich and poor within individual countries.

Several speakers from all parts of the House have devoted considerable attention to the need for careful preparation. However, careful preparations for the accession also imply careful supervision afterwards, i.e. seeing to it that the indigenous population and indigenous industry does not fall prey to the commercial vultures from the established Community. Careful supervision also means that the unemployment problem should not be shuffled off onto the migrant workers in the usual way.

Finally, careful supervision also means that a close eye must be kept on what Lord Douro so generously refers to in paragraph 6 of his resolution as the *acquis communautaire*, including achievements in the area of political cooperation. The same thing should apply in this case as in the case of the accession of Ireland and Denmark and in fact apply for all the Member States, i.e. that they should not be involved in political or security activities which go beyond the scope of the Treaties or, to be more explicit, defence structures should not be allowed to creep in.

Mr President, I hope that the speed at which I have been obliged to outline a few points will at any rate be matched by the speed at which Spain and Portugal managed to achieve Community membership.

President. — I call Mr Brok.

Mr Brok. — *(DE)* Mr President, ladies and gentlemen, I do not have to repeat here that out of political and cultural considerations and for reasons of democratic solidarity we approve the accession of Spain and Portugal on the date scheduled. In my opinion we can solve the economic problems and the problems which may arise from the Community freedoms even if this means resorting to transitional periods. It would be wrong for us to present a polite and positive facade while erecting artificial stumbling blocks which would

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make it impossible for these two countries to enter, because of the egotism of one or the other Member State.

However, I would like to mention two points which are far more relevant to ourselves than to the two candidates for accession. Firstly, there is the question of the European Community institutions' ability to take decisions. If the Community is enlarged to comprise twelve Member States without the introduction of the majority principle in the Council as set out in the Treaty, the EC will degenerate into a customs union and the ideal of a socially just Europe will not be realized because of its inability to take political decisions. This would mean the end of our dream of a peaceful and free Europe and all that would remain would be a Europe of traders — and it was not for this that we offered our sacrifices and cooperation. This is an appeal to all ten Member States but also to the three Member States which acceded to the European Community in the first round of enlargement.

Secondly, allow me to highlight the political purpose of the European Community. We established an economic community because we wanted to turn it into a political union. It is true that the Treaties do not say so literally but it is in keeping with their spirit. Perhaps we made a mistake when setting up the Community by not making the spirit of the Treaties a decisive criterion in our discussions also. We might then have been spared many misunderstandings, which have cropped up again and again in this Parliament and in the other institutions of the European Community and which have blocked the development towards a Political Union in the past ten years.

For this reason we must avoid another deadlock and we must force through our political will in our institutions to prevent the Community from becoming dominated by national economic egotism and the principle of *juste retour* and to ensure that the goal of political unity, which alone can guarantee Europe's survival in the world, is not abandoned.

In these two points perhaps I seem like 'Don Quiote', the creation of the Spanish poet Cervantes, who fought against windmills. However, I believe that we should always keep these objectives in view and I fear that in my own country — the Federal Republic of Germany — the people will not be willing to remain net payers indefinitely, should the great political goal of unity fade into the background.

Accordingly, Lord Douro, your final report on accession should place more emphasis on the problems of political priorities than on figures for olive oil. The European Parliament — unlike the petty-minded members of the Council — should ensure that the focus is again placed on the setting of political priorities.

President. — I call Mr Vgenopoulos.

Mr Vgenopoulos. — (GR) Mr President, it is obvious that the entry of Spain and Portugal into the European Community will create problems in the economic and social fields, because it will aggravate the existing imbalances between the various regions of the Community. By Community criteria both of these countries are poor, and this means that great efforts must be undertaken if they are to keep pace with the developed economies. The accession of the two countries will create problems particularly in the agricultural sector, which are exhaustively discussed in the report by Mr Sutra, with which we too are fundamentally in agreement. Taking all the different agricultural products into account, it emerges that the degree of self-sufficiency of the Community will increase in respect of Mediterranean products, whereas it will decrease as far as dairy products and meat are concerned. This means that the products of the Northern areas of the Community will again be favoured by the opening up of these two markets. On the other hand, the severe problem of marketing the Mediterranean products which, as we know, are produced in the most problematic regions will be compounded. Thus, in order to cope with the needs of enlargement, the allocation of EAGGF funds will have to be directed more to Mediterranean products, which today are at a disadvantage as compared with the products of the Northern areas of the Community. Moreover, in view of the large measure of self-sufficiency of the Community in Mediterranean products, the Community will have to adapt its trade policy towards the countries which produce similar products in order to ensure that the principle of Community preference is respected. Apart from the agricultural sector, the accession of the two countries will cause trouble in other Community branches such as textiles, steel and shipbuilding; unemployment will increase, there will be the problem of migrant workers etc. However, despite the huge problems posed by the entry of Spain and Portugal into the Community, the Greek Socialists, having examined the issue on the basis of purely political criteria, warmly support the accession of these two countries on 1 January 1984, as has been agreed, in the belief that all the internal Community problems can be solved given goodwill and cooperation on all sides, with a view to creating a Europe of the Peoples.

President. — I call the Commission.

Mr Natali, Vice-President of the Commission. — (IT) Mr President, at the risk of disappointing you, I cannot possibly answer all the questions which I have been asked, since to do so I would have to overstep the time limit allowed not only for the Commission's contribution but probably also for a whole Parliamentary sitting.

Having said this, Mr President, I should first like to say that I am most grateful to Lord Douro and Mr Sutra for their exceptionally valuable work. These two

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documents are extremely important. Much thought, analysis and appraisal has gone into these two reports, and the very complexity of the problems dealt with is proof enough of the complexity of the negotiations at present taking place.

Examination of these two reports reveals in each a different approach, but in any case both, as I said before, are exemplary works, which represent a serious contribution to the debate and to the decisions which the Community must take. I should also like to thank all the committees and their draftsmen of opinions who have contributed to this work. We have heard some of these draftsmen today — Mr Ghergo for social policy, Mr Pöttering for regional policy, Mr Enright for development, and Mr Marck for culture and information. The work done by these specialized committees is further evidence of the complexity of the situation with which we are faced. I should therefore also like to thank the spokesmen for the various committees and, in particular, the speakers who have taken part in the debate who, by emphasizing some points and criticizing others, have helped to create an overall picture of the current situation.

Mr President, this debate could not have come at a better time. The Commission, and indeed the Community as a whole, is at a sort of turning point. As has been stated, the Heads of State or Government asked for a report on the problems connected with enlargement for the next European Council. This report, which we also forwarded to Parliament, cannot in my opinion, be considered superfluous or even dangerous. It should be seen as a useful opportunity for reintroducing and, in some cases, updating the analyses and suggestions contained in the so-called 'Commission Fresco' — a document which, after four years, is still as politically relevant as ever. Five years have passed since Portugal and Spain asked to join the Community and the Member States solemnly assumed political commitments — the same commitments that prompted Mr Diana to affirm that we should do the honourable thing and stand by them.

We therefore have, on the one hand, this request from the European Council and, on the other, Lord Douro's motion and Parliament's intention of setting a deadline for completion of the negotiations.

The political significance of this latter move is all the more obvious if we consider the amount of time which has already passed since the official opening of negotiations. First of all, the Commission caused a delay, since it had to satisfy the Council's request for the facts necessary for an overall view of the situation. Then there were delays in the negotiations themselves which, what is more, have not yet touched on, for example, the main subject of Mr Sutra's report.

We therefore believe in the political significance of this move, especially since, as many speakers noted, Spain has just given another impressive demonstration

of its support of democratic pluralism. This being so, it is my opinion that it is particularly important that the Portuguese and Spanish peoples and political forces, who have been left waiting for so long on the threshold of the Community, should finally be allowed to enter.

At this point, if Mr Piquet, Mr Maffre-Baugé and Mr Ephremidis will allow me, I should like to comment briefly on their speeches. Naturally — even we have never tried to hide the fact — certain situations within the present Community pose a problem. There is some cause for concern, and it is only right to draw attention to the fact, as these gentlemen have done. However, what I find extremely strange is their attitude, which seems rather paternalistic towards the Portuguese and Spanish peoples, almost as if we should lay down the law to them as to their political decisions. I am surprised that political parties which reject colonialism and paternalism should assume this attitude towards the Portuguese and Spanish peoples.

(Applause)

The peoples of Portugal and Spain must know that the political commitment made by the Community, the directly-elected European Parliament and the Commission is a commitment which must be acted upon in an effective and credible manner. Obviously, the deadline referred to in Lord Douro's report only commits Parliament. As I have always said, under the terms of the Treaty the Commission's role is purely that of honest broker, although it willingly accepts criticism: indeed one undisputed fact in Community life is that the Commission is a sort of Aunt Sally which everyone can attack. I should, however, once more like to emphasize to Lord Douro that we have fulfilled our role as honest broker and will continue to do so, firmly convinced of the enormous political significance of this event, which we hope will take place as soon as possible. As I was saying, the deadline only commits Parliament. The real negotiators are the Member States, even though the material for the negotiations is provided by the Commission in the form of proposals. Now fundamental difficulties have arisen once more after a brief period of euphoria, during which agreement was reached on whole sections of the negotiations, which raised hopes — unfortunately unfulfilled — that things were going to move faster.

It is manifestly obvious that not even the essential points of the negotiations can be concluded in the five weeks remaining between now and the end of 1982.

The Commission is wholeheartedly committed to these negotiations and has always held the opinion that, under the terms of the Treaty, it is vital that the Member States remain determined to finish this task which they began with all the political enthusiasm the undertaking deserved.

The Commission and I share Miss Hooper's and Mrs von Alemann's hopes and conviction that, now that we

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have reached this stage in the accession procedure, the Member States will provide the political impetus necessary for the most important conclusive steps to be taken. The very image of the Community as a major political and economic power depends upon it. This image is important not only for our relations with the outside world and the applicant countries in particular, but also within the Community itself, since this inability to absorb new members would be interpreted, Mr Diana and Mr Croux, as an inability to overcome the contradictions which, quite apart from the problem of enlargement, have beset the Community since 1980. I am referring — as Mrs Cassanmagnago-Cerretti was the last to mention — to the increase in our own resources which, at some stage during the next financial years, will — with or without enlargement — become essential if the Community is to be shaken out of its inertia.

(Applause)

The more serious the effects of the recession now affecting the whole world, the more dangerous this inertia becomes. I am referring — and other speakers also mentioned this — to the Community's decision-making procedure which for almost the last 20 years has increasingly relied on unanimity. I should finally like to mention the impact of the painful restructuring measures, especially in the sensitive industrial sectors, which have been implemented to varying degrees but which are equally urgent and pressing in all the Member States, and which are now every day exerting their influence on the domestic market and our relations with non-member countries. When the Member States provide the long-awaited political impetus for the conclusion of negotiations within a reasonable length of time, it would certainly be useful if they would also consider reciprocal commitments to be entered into with the applicant countries on the adoption of self-disciplinary measures, for production in certain sectors only, in preparation for enlargement. This self-discipline could conceivably be accompanied by an offer of increased Community financial cooperation, which would encourage the applicant countries to adapt their economies to the integration process without delay. None of these ideas are new to the Commission, which proposed and was allowed to apply similar solutions during the negotiations with Portugal.

A further problem is posed by the question of whether the two countries should accede to the Community simultaneously or not.

I would say to Lord Douro and Mr Galland, both of whom raised this point, that the Commission's position, as Mrs Cassanmagnago Cerretti has mentioned, is that the two countries should accede simultaneously. The obstacles lying in the path of the accession of either candidate can be overcome within a reasonable period of time. In addition, the nature of the problems dictates a common approach, and to delay the accession of the two countries would only postpone a solu-

tion to the problems and therefore make a solution harder to find.

Ladies and gentlemen, with regard to the actual negotiations themselves, the main obstacles seem to be agriculture and fishing, as an examination of the impact of enlargement on the budget has shown. I have taken note of the data quoted by Lord Douro referring to the Community budget for 1980. I wish to quote a few more figures from the 1981 budget. I would, however, stress that that budgetary year is not particularly exceptional. If the 1981 budget is taken as a basis but is calculated as if the Community were already composed of 12 Member States, the estimated cost of enlargement is between 850 million and 1 400 million ECU, which is equivalent to 4 to 6% of the budget of the Community of Twelve.

In this 'simulated' budget, VAT would constitute 0.964 to 1.044%. It therefore does not represent a sum disproportionate to the economic and political implications of enlargement. However, this is a static estimate of costs which makes it possible to gain a clearer idea of the impact of enlargement. It would be impossible to provide a dynamic estimate for agriculture and fishing, for example, because it would depend firstly on the state of the 'acquis communautaire', secondly on the transitional terms granted to the applicants, and thirdly on the fate of the Commission's proposals for certain Mediterranean farm products and on future proposals on the integrated Mediterranean programmes which I had the honour of outlining to you in July during the debate on the Pöttering report.

The greatest difficulties thus arise in the agricultural and fishing sectors but, as we know, there are also problems connected with the free movement of workers. I do, however, believe that temporary solutions can be found for this problem similar to those found in the previous enlargement of the Community.

Still on agriculture and fishing, I would add that this uncertainty I mentioned should be no excuse for inertia on the part of the Commission, particularly since, quite apart from issues currently pending, we should in any case start a lengthy study of those issues which could usefully be tackled. The problems connected with the harmonization of legislation and secondary Community legislation etc. are only some of the possible issues.

The comments and suggestions contained in the two reports are very pertinent to these topics and have already given me cause to visit the Political Affairs Committee, the Committee on Agriculture and the Committee on External Economic Relations, as well as to report to the joint parliamentary committees of the European Parliament and the Portuguese and Spanish parliaments on the outcome of the various ministerial negotiating sessions. I should like to refer finally to the debate on enlargement held last summer on the oral

Natali

question tabled by Mr Diana and on Mr Pöttering's report on the Mediterranean Fund.

They make it unnecessary for me to go into detail over progress in the work being carried out by the ministers. I will confine myself to pointing out that great progress has been made in many fields, and some matters have even been settled — albeit subject to overall agreement when the time comes.

I should nevertheless like to concentrate on some of the points contained in the motions. First of all, I should like to point out to Mr Sutra that his recommendation to the applicant countries in paragraph 5 that they develop and diversify production is understandable only if it applies to all Member States and all surplus production. Otherwise, it would not be a case of enlargement, but rather of a sort of 'annexation' of two countries.

In paragraph 10 Mr Sutra requests that the transition period take place in varying stages. This idea is also to be found in the suggestions contained in the 1978 Commission Fresco, which I have quoted, which was neither referred to again nor used. Generally speaking, the Commission does not deny that this idea came from the Commission itself. However, a transition period in stages is only valid if the transition stage is complete and final. At this stage, Mr Sutra, this might prove unexpectedly difficult, now that the negotiations have advanced so far on the understanding and expectation of a transition period without stages.

Thirdly, I would point out that the suggestions contained in the paragraphs referring to fruit and vegetables and olive oil, in both Mr Sutra's and Lord Douro's motions, are largely covered by the proposals which, as I have already mentioned, the Commission presented over two years ago to the Council.

I should also like to reassure Lord Douro, and everyone else who raised the subject, concerning our relations with non-member Mediterranean countries and developing countries, to which I believe paragraphs 23 and 24 of the motion refer. I wish to assure them that the Commission shares their concern; it submitted a report to the Council last June and intends to present sufficiently concrete proposals as soon as possible, although I would like to add, Mr Enright, that I personally have some doubts concerning the legal interpretation that should be given to the consultation. We should certainly be aware of the concerns of the various parties concerned and should maintain contact, but I do not believe that the agreements relating to consultation refer to consultation in the strict sense of the world.

Finally, I should like to briefly mention fishing. The Commission regrets that, yet again, the last Council meeting did not achieve the necessary consensus for a common policy for this sector. Nevertheless, apart from this vital step which the Community will, I hope,

take in the near future, we should not forget that fish stocks are more vulnerable and more easily exhaustable than agricultural resources. A way must therefore be found to share existing stocks equitably. The fishing question presents a difficult task. It is therefore our opinion that to postpone these negotiations, as well as those on agriculture, may well prove to cause an irreparable loss of precious time.

Negotiations must begin on both agriculture and fishing, as well as on the issues which have so far remained practically untouched in the negotiations with Spain, i.e. customs union and external relations.

When I stated at the beginning of my speech that the Community was at a turning point, I also wished to highlight the fact that the present situation makes further delay even more unacceptable. The Community must show a determination to initiate this difficult part of the dialogue with the applicant countries.

Lord Douro's motion states the basic reasons in favour of Spain and Portugal's accession to the Community, and these reasons have been referred to by most of the speakers who have taken part in this debate. We have repeatedly declared our support for these sentiments. Today, let us reconfirm our beliefs and renew our commitment, supported by a European Parliament which is willing to cooperate in finding the solutions which our realism and unity demand.

(Applause)

President. — I call Lord Douro.

Lord Douro, rapporteur. — Mr President, I wish just to reply very briefly to one or two points raised in the debate.

Mr Croux asked me when I would produce a final report. Well, the answer is quite simple: when the accession treaties are signed, which, I hope, will not be too long from now. But the Political Affairs Committee did decide that the final report should not be produced until the accession treaties have been signed. That is why it is now called an interim report.

Mr Piquet gave as one of the reasons why he was against enlargement the fact that it would involve a levelling down of the existing Community. I was surprised at this because, along with probably many other people in this House, I have always thought that one of the basic results of communism is that everybody is levelled down, and it seems a very strange reason for him to give as a reason for being against enlargement.

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

Mr Enright. — Mr President, I wish to make the same sort of point of order as was made from the ranks of

Enright

those on the other side of the House this morning, to the effect that a rapporteur should not be introducing his personal political prejudices in all their absurdity into discussions.

President. — The two rapporteurs should not make personal comments. Mr Enright is quite correct on that point.

I now call Mr Sutra.

Mr Sutra, rapporteur. — (FR) Mr President, thank you. I shall try to abide by what you have just said. Nevertheless, I intend to mention one name, that of Mr Natali, who raised three points to which I would like to reply. Mr Natali, what you said about paragraph 5 is of course quite right, and I can assure you that neither I nor the Committee on Agriculture, for which I am the rapporteur, ever thought in terms of discrimination. I have always said that disciplines need to be introduced; I am not asking the Spaniards to accept any discipline which I would not accept myself . . . I ask the Community, the Commission and the Council: does not Europe need first to put its policies in order so that the Spaniards and Portuguese can join us in a Community functioning infinitely better than heretofore? This is what lies behind my initiative and behind everything I have done as a member of this Parliament; the Committee would not have followed me if it had been otherwise!

As regards the transition periods, I entirely agree with your comments on the need for an overall framework. I do not regard this as the most essential or original aspect of my report. However, in my view transition periods should not follow a set timetable but be worked out on known bases, bases to be established and judged by the Commission and subsequently analysed to see whether real progress is being made in harmonizing the social legislation covering all the agricultural arrangements. In other words, transition should be based on progress achieved rather than arbitrary timetables as in the past.

Finally, thank you for confirming that my report's recommendations on fruits, vegetables and olive oil are in line with the proposals made quite some time ago by the Commission. It might be added that on the question of wine the report accords with the new wine regulation proposed by the Commission and approved by the Council. I am very pleased with these achievements, the more so since my report is in total convergence with Mr Maffre-Baugé's report on fruits and vegetables and Mr Coleselli's on wine. One of my main concerns — and the Committee on Agriculture was constantly alert to this during its debates — was to preclude the slightest interference which could either result in us losing what had already been gained with the Maffre-Baugé and Coleselli reports or create the slightest contradiction on which the opponents of the agricultural policy would have been able to seize.

I hope, Mr Natali, that this answers the three points which you raised.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

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

IN THE CHAIR: MRS CASSANMAGNAGO
CERRETTI

Vice-President

President. — I call Mr Alavanos.

Mr Alavanos. — (GR) Madam President, I will state my case briefly. Today, 17 November, marks exactly nine years since 17 November 1973, when dozens of students and other Greek democrats fell beneath the bullets and tanks of the dictatorship during its attack on the Polytechnic, an event which contributed greatly to the downfall of the dictatorship.

I therefore propose that the European Parliament observe a minute's silence as a mark of respect for the Greek democrats who fought for a free democratic and independent Greece, since at this moment in Athens hundreds of thousands of people are holding a demonstration. I believe that this proposal will be supported by all my Greek colleagues, as well as by all those here who have a genuine desire for a democratic, free and independent Greece.

I therefore propose a minute's silence in memory of those who fought for democracy.

President. — I note your statement and your request will be passed on to the Bureau.

5. Welcome

President. — I wish to extend a warm welcome to the members of a delegation from the House of Lords, who have taken their seats in the official gallery.

(Applause)

The delegation, led by Lord Seebonn, is to have talks with the Committee on Social Affairs and Employment. I wish them well for their work together. It

President

shows the importance of collaboration between the European Parliament and the national parliaments.

6. Agenda

President. — I would remind the House that it was decided to vote on the motions for resolutions in the Douro interim report (Doc. 1-658/82) and the Sutra report (Doc. 1-785/82) at 4.30 this afternoon. As 144 amendments have been tabled, voting can be expected to continue beyond 5.30. In the circumstances, it may prove necessary to postpone Question Time with the Council and the Foreign Ministers. Something will also have to be done about the group meetings which are due to be held this evening.

I call Lord Douro.

Lord Douro. — Madam President, it came through in the interpretation that you said that Parliament had decided to hold the vote this afternoon at 5.30. In fact my memory is that yesterday morning Mr Dankert, who was in the chair, agreed with Sir Henry Plumb, who had proposed it, that the vote should be at 4.30 and not 5.30. Therefore, if it is at 4.30 — and I believe it even says so on today's order of business — and if there are not too many roll-call votes, maybe we could get through in time to still allow one and a half hours for Question Time.

President. — The real problem is the matter of the group meetings. They will have to be postponed.

I call Mrs Van den Heuvel.

Mrs Van den Heuvel. — (NL) Madam President, I really must say on behalf of the Socialist Group that we cannot accept your proposal. We have planned a very important group meeting and there is a very important subject on the agenda. It is absolutely impossible for us to agree to the cancellation of the group meetings.

President. — Mrs Van den Heuvel, we have to decide between Question Time and the group meetings.

Mrs Van den Heuvel. — (NL) Madam President, if you suddenly confront us with a proposal from the chair, you cannot expect us in the Socialist Group to respond with a carefully considered alternative. As a provisional measure I would advise you to let the voting take place and then to end the sitting at seven o'clock so that the group meetings can begin. We shall also have to find some way, in consultation with the groups, of deciding when Question Time can be fitted

in. It is naturally impossible to suggest a detailed alternative at the moment.

President. — I call Mr Brok.

Mr Brok. — (DE) Madam President, I should like to suggest that we go ahead with Question Time this evening and leave it up to the groups to arrange their own timetables.

President. — I call Mrs Ewing.

Mrs Ewing. — Madam President, I detect from time to time a debonair attitude towards Question Time and I deplore it. I may be that some Members of this House do not regard it as I do, as a democratic opportunity for Members to be individual Members and raise matters that interest them. To alter Question Time in this debonair way seems to me quite impertinent to those of us who take Question Time seriously. It suggest that certainly not later than 6 p.m., but possibly at 5.30 p.m., we have Question Time. We should try and get through the voting. It is up to groups to make their own arrangements; they can always have meetings early in the morning.

President. — I call Mr Kellett-Bowman.

Mr Kellett-Bowman. — Madam President, I would just like to ask how it is that the Bureau is getting the agenda in a tangle when on Monday we took so many items of business off the agenda.

President. — Ladies and gentlemen, however quickly we get through the voting on the motions for resolutions, it will take at least two hours on account of all the amendments that have been tabled. As a result, I would suggest that the groups meet after Question Time, although they will have to realize of course that their meetings cannot go on after nine o'clock. At any rate, the groups will thus have an hour for their meetings.

I call Mr Boyes.

Mr Boyes. — Madam President, I raise very few points of order, but I usually do about Question Time because I think it is a very important part of our week's agenda and I would like to underline, but not repeat, what Mrs Ewing said namely that we have asked in the past that Question Time be left at the normal time on the agenda.

The other thing that I cannot understand, following Mr Kellett-Bowman's intervention, is that we took nearly two hours on Monday to settle the agenda and

Boyes

yet here one and a half hours before Question Time is due to take place the presidency comes up with a recommendation that it be taken off the agenda altogether. I just cannot understand why we spend hours on a Monday and then immediately, two days later, start changing the agenda round again.

President. — I call Mr Radoux.

Mr Radoux. — (*FR*) Madam President, I really think it is very difficult to ask the groups to change the timetable for their meetings. Since there are so many amendments and you are thinking of starting at half past four, I do not see what harm there is in having Question Time while the groups are meeting, since as a rule the only people who attend are those who have asked questions. I therefore suggest that after the vote we start Question Time and that the groups meet at seven o'clock.

7. Topical and urgent debate (objections)

President. — Pursuant to Rule 48 (2), second subparagraph, of the Rules of Procedure, I have received the following objections, tabled and justified in writing, to the list of subjects to be debated at the next topical and urgent debate.

(The President read out the list of objections)¹

The voting will take place without debate.

I call Mr Israël on a point of order.

Mr Israël. — (*FR*) Madam President, the Rules of Procedure state that the objections have to be justified. What is the point of justifying them if these justifications are not read out in the Chamber?

Mr Herman. — (*IT*) Let's get on with the vote!

President. — I would remind you, Mr Herman, that I am in the chair.

(Applause)

I call Mr Sherlock on a point of order.

Mr Sherlock. — Madam President, you are experiencing considerable difficulties. I do not wish to add to them, but could you make it clearer which of these various proposals are to be taken without debate. I think it is of considerable significance.

President. — Please, Mr Sherlock, let us proceed with the voting.

After the vote on the objection by the Liberal and Democratic Group (Doc. 1-853/82)

I call Mr Fergusson on a point of order.

Mr Fergusson. — Madam President, we all know that only a very small number of these debates can be staged at all. If you would indicate that some items are going to be staged without debate, it makes all the difference in the world. So could you please tell us which items are going to be without debate, because obviously we can then accept them much more easily?

President. — Ladies and gentlemen, let me say again that this is decided by the groups. At any rate, these are questions of form.

After the rejection of the objection by the Liberal and Democratic Group (Doc. 1-882/82)

I call Mrs Scrivener.

Mrs Scrivener. — (*FR*) Madam President, I just want to make it clear that this motion for a resolution on whaling was tabled on behalf of the Liberal and Democratic Group and not by me personally.

President. — I call Mr Glinne.

Mr Glinne. — (*FR*) Madam President, I should like some clarification concerning the order on the list of urgent debates. If I have got this right, as a result of the votes we have had, Eurocontrol is going to be dealt with first, followed by steel and then the Law of the Sea, thanks to Mr Habsburg, and then I have a right dog's breakfast and I do not whether I am coming or going . . .

President. — Mr Glinne, we voted on the basis of the groups' decision and it is impossible at this stage to check the whole operation. I shall nevertheless have a check made and the House will be informed.

8. Commission statement

President. — The next item is the statement by Mr Richard, Member of the Commission, on the amendments by Parliament to the Spencer report (Doc. 1-324/82) on the information and consultation of employees.

I call Mr Richard.

¹ See Minutes.

Mr Richard, Member of the Commission. — Madam President, the House will remember that the last time this issue came before Parliament, the House voted on no fewer than 284 amendments. The Commission was then asked to give its reaction, and I said it seemed to us advisable that we should be allowed to go away and look at those amendments and then come back with a considered view.

We have now had an opportunity of considering in detail the recommendations of the Parliament contained in those amendments. This has not been an easy task, since in the course of its deliberations the Parliament amended all but two of the original 18 articles. We have therefore been forced to go back once again to what one might call the fundamentals of this issue. Having done so and having considered the amendments, and indeed being very conscious of the fact that those amendments were carried by this Parliament — otherwise they would not be here for us to consider them — we emerged from those labours by no means discouraged. The Commission welcomes the enormous effort the Parliament has made to research, debate and finalize its position on this directive. It is an important issue, and on behalf of the Commission I should like to congratulate Parliament on the essential orientation of its position as it emerged from that debate — in particular, on its acceptance of the principle of a legally-binding instrument and its agreement on the basic structure of a directive dealing both with the regular supply of information and with *ad hoc* consultations as decisions of major importance to the workforce arise.

The response I shall give to Parliament today deals with the substance and not with the wording. By this I mean that I shall concentrate on the issues raised by your votes rather than on the detailed text, in the order in which it appears convenient to consider the directive. Let us look at the information aspects of the directive first; then at the consultation aspects, and then the other points, such as direct elections, which may be mildly controversial.

The Commission would like to turn its attention next to drafting the revised text, assisted, I hope, by your resolution as well as by your amendments. Our amended text will then be submitted, with the usual explanatory memorandum, to both Council and Parliament in the first quarter of 1983.

Let me start with Article 5. Article 5 intended to set out the basis of the regular transfer of information from the main or dominant business to its subsidiaries and thence to the workers' representatives. It is this article which should contribute most to the establishment of a regular and a beneficial information routine and so to an improvement in relations between employers and workforce in large-scale companies within the Community.

The scope of the information to be provided, its frequency, the conditions of confidentiality to be

imposed or observed and the means of redress when the system breaks down are all, in our view, highly important elements. On the scope of the information, the Commission agrees with the main body of the suggestions made by Parliament. Thus, certain types of information, such as rationalization plans and the introduction of new working methods, are better suited to Article 6. The Commission accepts that the catch-all clause in paragraph 5 (2) (h) — 'all procedures and plans liable to have a substantial effect on employees' interests' — might have proved too general to be effective'.

On the other hand, the parliamentary debates on this question exposed, I think, very usefully the difference between general information relating to the group as a whole and specific information on prospects 'which might have serious consequences on employees' interests in a specific production or geographic unit'. I quote here from numerous amendments tabled by, among others I think, Mrs Majj-Weggen, Mr Eisma, Mr Spencer, Mr Calvez, Mr Frischmann and Mr Damette — in other words, from a very broad section of the political spectrum in this House. The Commission is persuaded that this distinction is a useful one, particularly in relation to the very large multinational, which may also be a conglomerate with a wide range of activities in markets which are unrelated either economically or geographically. Indeed, the insertion of the phrase 'intelligible general information' in Article 5 (1) by the Parliament seems to me to presuppose a complement in the form of intelligible specific information.

The Commission will turn its attention to the need to complete the phrase when it looks in detail at a revised text.

On the other hand, Parliament's proposal in Article 5 (2) (i) to limit information to that required under the Seventh Directive is, in the Commission's view, unfortunate for a variety of reasons. The financial nature of the information in the consolidated accounts is not parallel or relevant to social and employment information. It is historic information rather than perspective information and it would in any event already be publicly available under the terms of the Seventh Directive. The reference to the Seventh Directive would this, in our view, remove virtually all meaning from the text. I am sure in the circumstances that Parliament will understand the Commission's reluctance to accept it.

On frequency, the Parliament's suggestion that the passage of information should be annual rather than six-monthly, has caused the Commission some difficulty. We are conscious, for instance, that the directive on periodic information to shareholders calls for six-monthly reports. We are conscious too that the information would pass to the workers' representatives quarterly under the Fifth Directive. More generally, I think frequency is an essential element. In an informa-

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tion system of any type we must take great care to ensure that the directive is not weakened on this score. However I must say to Parliament that after due deliberation we feel that we can accept the way ahead that Parliament has pointed, that is that information should pass twelve monthly, but with an added proviso that it must be brought up to date when relevant information is passed to other bodies or other interests under the terms of other directives or legislation. In other words, so that we then, so to speak, bring them into general line.

I say relevant information, Madam President, here advisedly since perhaps the most difficult of all the issues we have to consider is what is relevant information; what should be confidential and what should be considered secret.

Now the Commission accepts Parliament's main point on secrecy. We accept that there must be a category of information in the working and major corporations which is too sensitive to be placed on the transmission belt of information established by Article 5. The Commission accepts in other words that the obligations which are imposed on workers' representatives on the handling of such information in the original Article 15 will not be sufficient in themselves to deal with this issue.

I must also say that the Commission has some difficulty, however, with the text that actually emerged from the voting procedure on 12 October. There is a practical problem: it is difficult to see why any procedure relating to business secrets and company secrets is required in an amendment to Article 15 when Article 5 (1) would prevent their entry into the system at all. But more fundamentally, and less legally perhaps, there are here problems of definition and problems of procedure before we can say this issue has been resolved.

On definition, for example, the problem is that Parliament's text does not give any criterion for judging whether or not a certain piece of information is either a business or a company secret; or indeed an industrial or trade secret, to use the wording of Article 5 (3). The difficulty is, of course, that the directive could be fatally weakened if the decision was left entirely to management with no means of establishing a consensus on what those phrases actually mean. For this reason, the Commission proposes that the revised directive should specifically permit management to omit from its coverage, in terms of both Articles 5 and 6, 'any information whose disclosure would substantially harm the company's prospects or substantially damage its interests'. In other words, you come at it from the other end and not from the end that Parliament originally proposed. We think, too, this could best be done in Article 15, with cross-references to Articles 5 and 6. It gives a working definition which is absent from Parliament's proposal and, incidentally, it very similar to the provision in the directive on per-

iodic information to be published by quoted companies which was itself inserted by this Parliament. It is important we should repeat here the caveat that the non-provision of information must not be likely to mislead the work-force with regard to facts and circumstances essential for assessing the company's situation.

On procedure, I have to tell the House that the Commission adheres to the view it took when it drafted the original Article 15. Management, in common sense, cannot be the sole judge of the confidentiality of information, and the tribunal procedure provided for in Article 15 (2) should, in our view, be retained. The tribunal would review *ex post facto* disputed cases. It would establish over time a body of case-law which would do more, I think, than either of our two institutions can do at this stage to establish exactly where the dividing-line between disclosure and confidentiality should rest.

'On means of redress, an important element in the original proposal was the so-called bypass provision, which allowed workers' representatives to turn to the management of the dominant undertaking for information which the subsidiary was unable to communicate. Parliament has proposed a weaker, but in some ways a clearer version, which provides access to the management of the dominant undertaking for workers' representatives, but only in writing and after a period of 30 days. It has added the right of workers' representatives to apply for a court ruling if management does not fulfil its obligations. The Commission accepts the Parliament's judgment on this point.

Turning now to the consultation provisions of the directive, Article 6 deals with specific events in the life of an undertaking when a decision is in prospect which will have a substantial effect on the interests of the work-force in either the whole or a part of it. During the discussions with Parliament, issues have arisen on the scope of the obligation to consult, on the nature of the proposed decisions which will require a consultation, on the system of redress and, what is perhaps most important on the stage at which the consultation takes place.

On most of these points I think the discussion has been productive, and on the scope of the consultation the Commission can be guided by Parliament's vote. It is clear that the directive should only deal with decisions affecting the work-force in the Community. That is Parliament's own proposal. It is also right to limit the obligation to provide information and consultation to each subsidiary concerned instead of to all subsidiaries, as proposed originally. The court procedures introduced by Parliament to Article 6 (4), with power to compel compliance forthwith, should adequately protect the interests of workers who deem themselves to be concerned but who have not been consulted.

Richard

On the types of proposed decision which would trigger consultation, the presentations preferred by Parliament are logical and are consistent with the Commission's intentions. There is a minor point: we believe that the introduction of new technology should be mentioned specifically as an occasion for a consultation. More important, changes in long-term cooperation agreements should also be reinserted, since many of these are highly significant events in the life of a subsidiary and by no means all to its disadvantage. Moreover, truly sensitive information will be protected by the new Article 15.

However, there is a case, I think, for looking again at the stage at which consultations take place. One interpretation of Parliament's text — and I must say to Parliament here that the text as it emerged from the last voting procedure is contradictory on this point — is that Article 6 (1) limits consultation to decisions which have already been taken. Hence the reference to a 40-day period before 'implementation', which is, I think, the word used. However, the amended text also talks of proposing to take a decision. The text, I think, needs to be clear because you cannot talk in the same breath about a proposal to take a decision and about a decision having already been taken and all you are concerned with is the implementation of it. I think the text needs to be clear and, faced with the two conflicting possibilities, the Commission has had to make a choice.

In terms of industrial relations we believe that it is desirable that consultation of employees should take place before the final decision is taken. By taking into account employee concerns — for example, their willingness to adopt new practices — management's decisions will be better informed and it will find it easier in our view to secure cooperation in execution of its decisions. However, there is some risk that the original text will be seen — I accept that there is some risk of this — as an attempt to impose a formal right of co-determination with the workforce on the decision itself. This is not the intention and the final text which is submitted to Council will need to be amended to make this clear.

Finally, Parliament's proposal removes the right to bypass the management of the subsidiary in cases where consultation has not taken place. This is clearly a major change, but it is also one which the Commission can accept in view of the other amendments that Parliament has made. The combined effects of the new formulations of Article 6 (3) and Article 6 (4) is to impose an obligation on management which they could ignore only at the risk of having court proceedings opened against them, with the attendant uncertainty — the inevitable uncertainty — as to the outcome of those proceedings. I believe it was Parliament's intention therefore to create a procedure for information and consultation in this area which management would feel obliged to pursue but at the same time without giving the workforce a right of veto

over the managerial decisions. With this approach the Commission is in full agreement.

I now turn to a number of related issues. First the selection of employee representatives. Now, the Commission agrees with Parliament that in each Member State it should be possible to designate workers' representatives by direct election and by secret ballot. Madam President, that really is not the whole issue here. Indeed, the Commission prescribed this system for worker participation in the Fifth Directive but Community law in this area progresses step by step and we have to recall that the objective of the present directive is limited to informing the workforce; it does not attempt to modify the system of industrial relations within the Community in which it will operate. Furthermore, the evidence is that the Council shares this view of the situation and it would only be with great difficulty that systems of industrial relations which have been established over many years could be changed. The Commission feels that their own formulation, which gives complete freedom to the Member States but preserves at this stage all the Member State's options in this respect and prevents no one from adopting direct elections and the secret ballot if the Member State so wishes, is, in the end, the best.

The Commission does not accept either the exclusion from worker's representatives of anyone engaged in management at whatever level. Large white collar staffs already exist in many multinationals. I think they need to be kept as fully informed as other workers. Our proposal borrows also from the approved text of the acquired rights directive, which excludes — and I quote from that — 'members of administrative, governing or supervising bodies of companies who represent employees on such bodies'. We do think, Madam President, that that is a much more appropriate provision.

On Article 4 the Commission has no difficulty in accepting the principle of a threshold for the size of group which falls within the terms of the directive, and the threshold of a thousand employees seems acceptable to us, since this definition excludes small and medium-sized enterprises.

On freedom of the press and charitable bodies, the amendment to Article 1 of the Commission's proposal is, I think, inspired by the German legislation which exempts press undertakings, charitable bodies and the other bodies mentioned in the amendment from employee participation in boardrooms and from those employee participation rights granted under the German Works Councils Act, which might affect the freedom of the body concerned to carry out its specific purposes. It is, however, understood under the relevant provisions of the Works Councils Act that the basic social protection of the workers shall not be affected by that exception. It appears therefore that the drafting of the amendment is wider than is neces-

Richard

sary for granting the freedom to carry out charitable or political or public information purposes.

There seems indeed, Madam President, no good reason why workers in pension funds or workers in scientific or educational enterprises or indeed workers in the press should not benefit from the provisions of this directive, which only grants social protection to the workers. The Commission will therefore examine the draft directive point by point in order to find out more exactly where conflict might arise with national legislation on this matter such as that in Germany. We will accordingly produce a text which avoids such conflicts without imposing the same practices Community-wide. May I say too, in parenthesis, that the same exercise must be done as regards the amended draft of the Fifth Directive on company structures.

On Article 8, the problem is to legislate effectively where the management of the dominant undertaking is located outside the Community. Parliament's alternative, which avoids the pitfalls of extraterritoriality and provides that where the dominant undertaking appoints no agent each subsidiary is responsible, seems to us to be preferable in practical terms to the original proposal, and the Commission can accept it.

In conclusion, it is the Commission's hope that a long and fruitful consultation with Parliament will be brought to an end with this statement and Parliament's subsequent vote. The Commission stresses that, although it must maintain a differentiated position on Parliament's proposals, it will be guided by them in relation to the essentials of the directive, as an information directive. Thus, on the scope of the directive, frequency, the threshold, secrecy, the bypass and extraterritoriality, it will be able to follow the sense of Parliament's proposals — in most cases very closely. On scope we prefer a clearer text in relation to specific information, one indeed which has wide support already in this Parliament. We are not persuaded of the utility of the reference to the Seventh Directive. On secrecy, we suggest a different method for exempting the most sensitive information. These preferences do not spring from a fundamentally different approach, and I hope I have given Parliament good reasons for them.

On the more constitutional issues, if I can call them that — direct elections, freedom of the press — there is some distance between us, but I think we should be careful not to exaggerate the extent of it. Here I do, particularly on direct elections, appeal to Parliament to think very carefully about its position. In both cases there seems to be a danger that what is believed to be the experience of one national grouping is being allowed to predominate, whereas we are talking about a directive which is essentially a flexible instrument and has to be applicable in ten Member States with an enormous variety of traditions and a great variation of practices. I can give Parliament the Commission's firm assurances that in neither case is there any intention to

prevent the practices referred to in relation to this directive, direct elections being the one case and freedom from certain legislation for the press and confessional bodies the other. We need to do some detailed work to establish the position in this second case but in both I hope the principle is perfectly clear.

Madam President, I apologize for taking up so much of the Parliament's time on this issue, but I am bound to say that it is one which, while I would not say that is has obsessed me since I became a Commissioner, has certainly taken up a large part of my waking hours and my working week. I think that the amendments that Parliament has made, taken together with the acceptance of most of them that I have indicated this afternoon and the variations that I have also indicated this afternoon, all taken together as one coherent package, give us what I think all of us in this House and certainly we in the Commission want. It gives us something which first of all produces a better informed labour force and consequently better labour relations inside the Community. Secondly, it gives us a practicable framework within which this information and consultation can take place. It has to have a framework, but it has to be flexible, it has to be fair and it has to be workable. I hope, Madam President, that the result of our efforts will indeed be to achieve precisely that.

(Applause)

President. — Mr Richard, Parliament decided to include the rest of the voting on the Spencer report on the agenda for the December part-session.

I call Lord Harmar-Nicholls.

Lord Harmar-Nicholls. — Madam President, because I believe that the records of this Parliament are important on matters of this sort, it is very important that the report of the Commissioner should be clearly understood. At the beginning of this very detailed explanation, the Commissioner congratulated Parliament on what he claimed to be accepting the legally binding agreement. That ought not to be allowed to stand in those words. Parliament accepted a legally binding agreement subject to amendments which have not been accepted by the Commission. The point of order is, can we have the record amended to point out that any principle that was accepted was subject to the amendments being accepted and our freedom of action to turn this thing out remains if they are not introduced.

President. — It is not possible to comment on the statements by the Commissioner. The matter is therefore closed, Lord Harmar-Nicholls.

I call Mr Richard.

Mr Richard, Member of the Commission. — Madam President, I am not responding to Lord Harman-Nicholls because I really do not think it is for the Commission this afternoon to respond to individual statements made by Members of Parliament except within the proper constitutional framework. We are not in Question Time at the moment.

I merely wanted to say something that I omitted to say which was that I hope it will be for the convenience of the House, and perhaps even for Lord Harman-Nicholls at the same time, if I were to inform him and the House that copies of what I said this afternoon will be available, I think from about now.

President. — I call Mrs Maij-Weggen.

Mrs Maij-Weggen. — (NL) It is to do with the same point, Madam President. We are discussing things on the basis of a spoken text and I just hope that the Commission will be as speedy . . .

President. — I have already said, Mrs Maij-Weggen, that there can be no discussion of this matter.

9. Agenda

President. — I have been informed by the President-in-Office of the Council that he must leave at seven o'clock. We shall have to take another look at the problem of this evening's business. I therefore propose that Question Time be held between half past four and six o'clock. At six we can begin the voting on the Douro and Sutra reports, and when the voting is over the group meetings can be held until nine o'clock.

I call Mr Arndt.

Mr Arndt. — (DE) Madam President, our group has a long-planned meeting arranged for seven o'clock with the President and five other Members of the Commission, and in our estimation we shall need at least one and a half hours for the topics we want to discuss. If the agenda were changed, this meeting of great importance to our group would have to be cancelled. We cannot agree to that. You can do what you like but we definitely want to go ahead with our meeting with the Commission representatives at seven o'clock.

President. — I made my suggestion, Mr Arndt, because the President-in-Office of the Council was aware that in accordance with the agenda Question Time would run from half past five to seven o'clock, and this was why he was counting on leaving at seven.

I call Mr Bangemann.

Mr Bangemann. — (DE) Madam President, we should not be losing any more time discussing the agenda and the simplest course would be to follow the agenda exactly as it is printed. After debating the Douro report we shall vote on it at 4.30 p.m. We shall endeavour to vote on the amendments within an hour. That ought to be possible. Between 5.30 and 7 p.m. we can have Question Time in the esteemed presence of the President-in-Office of the Council, and then the Socialist Group can have its meeting.

(Parliament agreed to Mr Bangemann's proposal)

10. Economic situation in the Community (annual report)

President. — The next item is the report (Doc. 1-822/82), drawn up by Mr Ruffolo on behalf of the Committee on Economic and Monetary Affairs, on the

proposal from the Commission to the Council (Doc. 1-818/82 — COM(82) 677 final) concerning the adoption of the annual report on the economic situation in the Community and establishing the economic policy guidelines for 1983.¹

I call Mr Moreau, deputizing for the rapporteur.

¹ The following oral questions were included in the debate: — oral question (Doc. 1-803/82) by Mr Bonaccini and others to the Council:

Subject: Community economic and social policy

1. Does the Council share the opinion of the undersigned that there is an urgent need for new coordinated measures at European and national level to boost economic activity so as to combat unemployment?
2. Does the Council not consider that these measures should be based on a more flexible concept of growth, attaching more importance to quality, thus allowing a more balanced development of the Member States and the regions of Europe?
3. To meet the requirements of the current situation should these measures not act on both supply and demand?
4. Should this policy not be closely coordinated with the major industrialized countries, particularly the United States and Japan? Should it not be combined with measures to increase demand in the developing countries?
5. Is the Council prepared to undertake to institute a policy of this kind at the 'Jumbo' Council on 16 November 1982?
6. Furthermore, is the Council prepared to put into practice as soon as possible, and in any event before the end of this legislative period, the proposals contained in the resolutions of the European Parliament passed in the wake of the reports by Mrs Salisch on new technologies and employment, by Mr Ceravolo on the adaption of working time, by Mr Didò on the guaranteed work plan, by Mr Calvez on part-time work and by Miss De Valera on the age of retirement, particularly

Mr Moreau, deputy rapporteur. — (FR) Madam President, ladies and gentlemen, as Chairman of the Committee on Economic and Monetary Affairs I wish to present the report drafted by our colleague, Mr Ruffolo. Mr Ruffolo in fact considered that the text finally adopted by the committee deviated to an unacceptable degree from his original text and thus felt obliged to stand down as rapporteur — something which happens rarely in this House but which also indicates the difficulties which we face and the internal conflicts which sometimes exist. However, I feel bound to say that our working methods are not necessarily the best suited for bringing problems into the open and attempting to find common ground and possible compromises.

I should like to point out that the drafting and adoption of the annual report on the economic situation is a truly Herculean task, not helped in my view, by the Bureau's refusal to adopt our text at the ordinary meeting on 4 November.

Having explained the rather special circumstances, I shall now present the report with the aim of informing this House as fully as possible about the debates within our committee. The report was adopted by 12 votes, with 13 abstentions.

those concerning work-sharing and the participation of workers and their representatives in decisions on the introduction of new technologies?

— oral question (Doc. 1-809/82), tabled by Mr Glinne on behalf of the Socialist Group, to the Council:

Subject: Special aid to regions affected by the crisis in the European iron and steel industry

1. Does the Council share the Commission's view that the level of steel consumption, which was very low during the third (summer) quarter of 1982, will be equally low during the fourth quarter? If this situation continues, the annual level of consumption will be 100 million tonnes, the lowest ever figure since the ECSC was set up (1952).

2. Does the Council agree that the regions affected by the crisis in the iron and steel industry should be granted special aid?

3. What is the Council's attitude, in this connection, to the statements made by Commissioner Davignon in which he announced the Commission's intention to propose that the member governments should allocate substantial aid for conversion in the regions affected by the crisis? This investment aid, to come from the European Regional Development Fund (non-quota section), would amount to 200 million ECU over five years and would supplement the relatively small conversion loan currently allocated from ECSC appropriations.

— oral questions, tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats, to the Commission (Doc. 1-806/82) and the Council (Doc. 1-807/82):

Subject: Strengthening of the European Monetary System

Given that the European Monetary System is a mainstay of European unification that has preserved the unity of the common market at a time when the seriousness of the economic crisis has reached an unprecedented level in the Community's history, what measures does the Commission, Council intend to take with a view to extending the system so that the inadequate convergence of the European economies can be strengthened and the current threat of a worsening international monetary climate avoided?

I shall cover three themes: the economic analysis and general objectives; medium-term policy measures; and short-term policy measures. Our committee unanimously approved the Commission's economic analysis and the general objectives which it proposed for the Community in the present crisis situation.

I should also like to address the President-in-Office of the Council.

You are already familiar with the economic analysis. I shall simply give a very brief summary. The forecasts for 1983 are as follows: a growth rate of 1%, provided there is an upswing in the second half of the year; poor prospects for world trade (a possible increase of 2.2%); reduced inflation and external deficits, but with divergences between Member States remaining very significant; increased unemployment, reaching 12 million in the second half of 1983. The Commission's report points out that 1983 will be the fourth consecutive year of economic stagnation, a crisis which our committee, like the Commission, agrees is mainly of a structural rather than cyclical nature.

Faced with this situation, we agree with the Commission that the Community can have only two essential general objectives in the years ahead, the first being to halt the dramatic increase in unemployment and the second to achieve a return to sustained, high-level economic growth through a lasting reduction in the inflation rate and a better balance of external trade and public finance.

While there were no disagreements within our committee on these points, which are contained in the opening paragraphs of the motion, opinions differed on the contents of the medium-term and short-term policy guidelines. Having agreed that the crisis was mainly of a structural nature the Committee began by defining the medium-term policies required, namely a reduction in the rigidities which weaken the competitiveness of our economy and the introduction of measures to promote employment.

The committee emphasized a number of structural rigidities which it believes must be overcome; in order to remain competitive we must help industry to adapt to the new technologies in the services sector and, even more importantly, the telematics sector, improve the way in which public finance can contribute to economic restructuring, and reduce, by encouraging competition, intermediate costs and profits arising from monopoly positions.

In the light of the present economic stagnation the Community also needs to adjust the volume of public expenditure devoted to the social sector. The same applies to the social security systems designed in a period of high economic growth. The need is to divert this expenditure towards helping the hardest-hit categories and towards programmes for retraining workers.

Moreau

The Committee also emphasized the growing disparity between the results of the play of market forces and all the constraints imposed by the different levels of authority, which have led to the development of what we call the 'hidden' economy.

Finally, we maintain that rigorous action is needed to promote the full development of the Community's domestic market and to combat any attempts to re-nationalize national markets. Our rapporteur, Mr Ruffolo, advocated active State support for research and the introduction of a policy of genuine industrial cooperation in the Community as the only means of reducing the structural rigidities in the Community and promoting our competitiveness. Unfortunately — and this is my own opinion — this view was shared by only a very small majority within the committee. As regards the structural measures, the resolution also refers to certain measures to promote vocational training and employment, especially for young persons. In this respect we fully approve the Commission's proposals reaffirming the principle of social guarantee as expressed in paragraph 19 of our report. However, although there was widespread agreement on this point, opinions differed on the procedures for establishing genuine consultation between the State and the two sides of industry and the conditions for strengthening the social consensus through increased worker participation in decision-making, job-sharing and profit-sharing.

The report consequently remains silent on the essential aspects of social policy for the future.

I shall be more brief as regards the short-term measures, of which I see three groups in this report. The committee agrees with the Commission's recommendations to the two categories of countries in the Community: those in which the financial imbalance is less severe and those whose economies still show considerable monetary and financial disequilibrium. The former are recommended to reduce their interest rates and adopt a less rigorous budgetary policy, while the latter are recommended to reduce rapidly their high inflation rates and heavy external deficits by means of monetary containment and financial discipline.

As regards monetary matters, the report reaffirms that the European Monetary System cannot in itself bring about sufficient convergence of the economies of the Member States, but is nevertheless a key element. The report therefore stresses the need for the gradual creation of a central monetary authority and for the development of the role of the ECU.

The Commission's proposal concerning NCI III indicates that the Commission intends to use the ECU more in its borrowing transactions.

The report also contains a number of recommendations of an institutional nature. We urge the Commission to show greater commitment in its efforts to

obtain from the Council and the Member States genuine coordination of economic policies. We also urge it to make greater use of the power of recommendation granted to it under Article 11 of the Council Decision of 1974 with a view to ensuring the necessary coordination of economic, monetary and budgetary policies. Finally, we again emphasize that the present decision-making machinery within the Council is not capable of ensuring the necessary convergence of the Member States' economic policies.

In conclusion, Madam President, I would like to say how much I regret, as Chairman of the Committee on Economic and Monetary Affairs, that despite our efforts we did not manage to achieve a broad consensus at a time when the economic situation in Europe is worsening and is likely to worsen even further in the months ahead. I hope that the debate which follows will enable us to reconcile our differences.

As I see it, it is time to stop arguing. This House should be capable of going beyond the Commission's proposals, but the Committee on Economic and Monetary Affairs has not done so: on certain points our resolution falls well short of the Commission's proposals. If we are not capable of making this effort the public has every right to be disappointed in us. We have to act decisively to tackle the basic problems and try to find solutions which are acceptable to the majority and which can resolve, even if only partially, the problems facing our countries and our peoples.

(Applause)

President. — I call the Council.

Mr Ellemann-Jensen, President of the Council. — *(DA)* The Council fully shares the concern regarding the economic prospects which Mr Moreau has just expressed. We can all see now that the economic recession which began in the mid-1970s shows no sign of loosing its hold and has begun to take on the appearance of a genuine economic crisis. All the industrialized countries are faced with serious difficulties. Production and growth are virtually stagnant. Unemployment is widespread and still growing. The deficits in the Member States' budgets have attained unacceptable proportions and foreign payments imbalances are persisting and increasing. Only the rate of inflation has begun to show some signs of improvement.

Present economic forecasts for 1983 do not seem to hold out any promise of significant improvement either for the Community or for the industrialized countries in general. There has been a glimmer of hope in several countries, but it is still too early to decide whether or not we can expect real economic recovery.

It is not surprising that the discussions of the European Council in March and June this year were largely

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devoted to the economic and social situation. This topic will, of course, receive particular attention in the discussions of the European Council in Copenhagen on 3 and 4 December. The Presidency accords top priority to the need to improve the economic and social situation.

The discussions of the Ministers for the Economy, Finance and Labour at their meeting last Monday and yesterday concerned the economic and social situation. I will return later to the results of those discussions, but I feel they warrant a mention here as evidence of the Council's efforts to improve the economic and social situation.

The immediate aim of these meetings is to prepare a preliminary draft as a basis for the discussions of the European Council in December, so that it may be possible to reach agreement on conclusions which will enable coordinated measures to be taken at European and national level. Such cooperation must complement the national measures taken by each of the Member States to stimulate the economy.

The Community recognizes the need to restore and strengthen confidence in the ability of the international trade system to create a stable and predictable commercial environment and to meet new challenges. This calls for the Member States to reduce commercial friction, to oppose protectionistic pressure and encourage the liberalization and growth of trade.

As regards point 2 of the question, the Council considers it desirable to ensure a balanced development in the Member States and the regions of Europe. One of the objectives of the Treaty of Rome is the harmonious development of economic activities throughout the Community and a continuous and balanced expansion.

To attain this objective the Community has several means at its disposal and I would mention in this connection the Regional and Social Funds and the European Investment Bank. Other topics, such as the Community's Mediterranean policy, are under examination. As regards the qualitative aspect of growth, the Community is cooperating in the area of environmental policy. I agree that it is important to introduce measures to act on both supply and demand. As regards supply, these measures should lead to a reduction in production costs, and as regards demand, efforts should be directed towards the creation of conditions to promote an increase in sales. I, therefore, agree that both elements should be included. A reduction in interest rates is one example of ways of reducing costs, while the encouragement of investment would be a way of contributing to an increase in demand.

I also agree with the views expressed on cooperation with the United States, Japan and the developing countries. According to the provisions of the Treaties,

the economic and social policies of the Community and the Member States should be coordinated as closely as possible. The Council holds the view that this should also be the case as regards coordination with the economic and social policies of the major industrialized countries and the developing countries.

As I mentioned earlier, the Ministers for the Economy, Finance and Labour have been meeting in Brussels over the last few days and yesterday the joint Council meeting, the so-called jumbo Council, was held which dealt with three main topics, i.e. the improvement of the economic situation, the adjustment of working hours and, finally, the question of youth employment.

The Commission had submitted a communication on these three questions to the Council meeting and this communication, together with the separate Council meetings held previously, i.e. the economic and financial meeting, the meeting of the Council of Ministers of Labour and the meeting of the Standing Committee on Employment on 26 October, formed the basis for the deliberations at the joint Council meeting.

I can also inform you that the Presidency last Monday consulted with the two sides of industry at European level concerning the questions on the Council's agenda. This provided an opportunity for the various parties concerned to put forward their views regarding the possibilities of improving the economic situation and to reaffirm their position as regards the problems on the labour market as already put forward in the Standing Committee on Employment.

The aim of the Council meeting was to gain a better understanding of the unemployment problems, to analyse the economic situation and, finally, to determine what new initiatives could be taken at Community level with a view to developing and strengthening the adjustment policy which should be implemented in the individual Member States.

I should like to stress that after a thorough discussion of the problems the Council managed to reach agreement yesterday regarding its future work. There is, I think, good reason to be pleased about this, since it is the first time a so-called jumbo Council has resulted in agreement on joint conclusions.

I also think it is important to stress that the conclusions themselves give no grounds for maintaining that the meeting had raised hopes regarding a solution to the unemployment problems which could not be fulfilled. The conclusions are clear and in a number of particularly important areas agreement has been reached on fundamental principles.

The Council agreed that if effective results were to be achieved in the fight against unemployment the fragmented policy would need the support of a stronger social consensus, there would have to be a general

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willingness to accept the less desirable consequences of the requisite adjustments and, finally, the adjustment measures should not increase social inequality.

At international level, the Council intends to do what it can to combat protectionist tendencies. If we are to bring about greater economic stability we will, among other things, have to join other countries, particularly the USA and Japan, in efforts aimed at strengthening international monetary and financial cooperation with a view to achieving on the one hand reduced interest rates and, on the other, greater stability in exchange rates. This is vital if we are to achieve increased productive investment.

The Council calls on the Member States to see to it that there is a shift of emphasis in public expenditure in the direction of productive expenditure, and in this connection the Council itself has undertaken to examine the national budgets with a view to determining to what extent this reorientation is actually taking place.

In the central section of the conclusions, which deals with investments, the Council undertakes to use all the instruments at its disposal with a view to increasing productive investment. In this connection, the existing Community instruments — for example, the European Investment Bank, the ECSC, the Regional Fund and the New Community Instrument — should be used as effectively as possible and the Council should adopt a position as soon as possible on the proposal for a new tranche of 3 000 million ECU under the so-called New Community Instrument.

Further development and finalization of the internal market is of the utmost importance for an increase in private investment and in this connection too highest priority must be accorded to the fight against national protectionist tendencies which are unfortunately in evidence here and there. We intend to try and solve some of the outstanding problems in this respect at a special Council meeting. As well as developing the internal market, we must also draw up an industrial policy which will increase the Community's competitiveness *vis-à-vis* the rest of the world.

Innovation policy should be given a greater role to play than it has hitherto, both at national and Community level, and here too the Community funds should be more actively involved.

The Council expressed extreme concern regarding the problem of youth unemployment, which should be given very special priority in the Community strategy for the combating of unemployment. As a contribution towards solving these problems, the Council advocated practical implementation in the Member States of the proposal to the effect that steps should be taken to ensure that young persons fresh on the labour market have an opportunity of receiving vocational training or initial work experience.

I should like to conclude this section of my statement by mentioning the problems concerning working hours. The Council's deliberations on this matter reflected the substantial differences of approach in the various Member States but it nevertheless managed to draw up certain joint guidelines in this field too. The Commission's proposals for concrete measures will be dealt with at the meeting of the Council of Ministers of Labour and Social Affairs on 10 December, and the Council has undertaken to conclude its deliberations on these proposals at that meeting.

I did not personally take part in the jumbo Council yesterday since I was already on my way to Strasbourg so that I would be available for today's business. However, I will see to it that Parliament is provided with copies of the text of the Council's conclusions, which I have here, so that it will be possible to continue the dialogue between the Council and Parliament on these vital issues.

I should like to point out, in this connection, that the President of the Council who chaired the jumbo Council intends to meet Parliament's Economic and Monetary Committee this coming week and, obviously, he will be able to go into the deliberations in the Council in greater detail on that occasion.

As regards the Commission's proposals regarding vocational training and new technologies, part-time work, temporary work and, finally, a flexible retirement age, these are all currently being dealt with in the Council and it is not possible for me at this stage to say what the outcome will be since the Ministers are not scheduled to discuss them until next month.

Perhaps it would be a good idea at this point for me to go on to the other questions, i.e. those concerning steel and monetary cooperation. As regards the Commission's steel forecasts, I should like to say that they quite rightly envisage an actual steel consumption within the Community of 24.10 million t for the fourth quarter of 1982, i.e. the same as for the third quarter which, as you know, is usually somewhat lower as a result of the holidays.

It is on the basis of these forecasts that the reduction rates for production quotas have been worked out. The Council can only take note of this while regretting the fact that the market is showing no signs of picking up, which means that total steel consumption for 1982 will probably amount to approximately 104 million t — the lowest level in the last 20 years.

The aim of the Community's structural financing instruments is to rectify existing regional structural imbalances and to prevent new imbalances arising as a result of the current crisis. The Council intends to adopt the Commission's proposals for a second series of measures under the non-quota section of the Regional Fund in the very near future. These measures will, *inter alia*, affect regions hit by the crisis in the

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steel, textile and shipbuilding sectors. However, since the Council has not as yet received the Commission's proposals, it obviously cannot adopt a position with regard to them.

Finally, I should like to make a few remarks in answer to the question regarding the European Monetary System. It is almost 4 years now since the European Council decided to set up the European Monetary System and since then the world has experienced unprecedented fluctuations in interest and exchange rates. I might remind you, by way of illustration, that when the European Council took its historic decision a mere 4 years ago, the American interest rate was 12%. It is 12% again today, but in the meantime it has been far above 20%. At the end of 1978, one could buy \$100 for 75 ECU. Nowadays one has to pay almost 110 ECU, which corresponds to an increase of over 45%. There are also the very short-term fluctuations in interest and exchange rates which have been greater than anything we have previously seen and it is in this dramatic context that we should assess the importance of European cooperation in the monetary field since the aim of this cooperation was to create an area of monetary stability in Europe and, viewed in the light of the international development as I have just described them, we must admit that this cooperation has been a great success. Under exceptionally difficult conditions, the system has guaranteed a reasonable degree of stability in exchange rates which has been to the advantage of trade and the Common Agricultural Policy.

I should like to draw particular attention to one aspect of monetary cooperation which is of significance for the future, i.e. that under the European Monetary System monetary policy has really become a joint Community concern. In fact, it is only natural that the rates for the German Mark expressed in terms of French Francs cannot be fixed independently of the rate for the French Franc in terms of German Marks, and in the absence of cooperation in the field of exchange rates, a change in the rates for the Mark one day might be cancelled out by a corresponding change in the rate for the Franc the next. This is obvious, but it was only with the introduction of the EMS that people finally started drawing the appropriate conclusions from this obvious fact.

Under the European Monetary System, questions of exchange rates are discussed between all the participant States and decisions regarding changes in exchange rates are taken jointly, which is important at a time when the risk of competitive devaluation is greater than it has ever been since the crisis of the 1930s. Six adjustments have been made in exchange rates since the system was set up and it was in connection with these adjustments that a procedure was introduced to ensure that decisions could be taken swiftly if developments should render adjustments necessary. The developments in day-to-day cooperation between the central banks have also contributed

towards strengthening the system, even if the formal rules have remained unchanged.

The Council discussed an extension of the system on two occasions during the first 6 months of this year, on the basis of studies by the Commission. The Council was not in favour of extending the system at the present stage, but it has nevertheless asked the two committees to continue their work on the question.

Two Members of this Parliament, Mr Deleau and Mr Remilly, have put questions regarding two aspects of the system i.e. the fluctuations margins and the divergence indicators. In the Council's view, the margins of fluctuations have operated satisfactorily in that they have served to keep the exchange rates fairly parallel as required for the purposes of the common market and the agricultural arrangements, while at the same time there has been sufficient room for manoeuvre for the market forces. The Council does not have occasion to discuss any possible changes in these margins since neither the Commission nor the Member States have expressed any wishes to that effect. The divergence indicators have also fulfilled their purposes and have been a useful element in the system. There are no plans to make any changes in this area either.

To sum up, it is the Council's view that, viewed in the context of the substantial disturbances on the international monetary scene in recent years, the EMS has guaranteed a high degree of monetary stability for Europe.

IN THE CHAIR: MR ESTGEN

Vice-President

President. — We shall now interrupt the debate for the scheduled vote on the Douro report. Before we proceed to the voting, I call the rapporteur to finish his speech.

Lord Douro, rapporteur. — Mr President, before we begin the vote I should like to reply to some points made during the debate this morning.

Mrs von Alemann, who unfortunately is not here, was critical of the way the different parts of the report appeared to be so disconnected. I would explain to her that that is because so many committees sent in opinions, and I tried to incorporate part of all those opinions in the report. Inevitably that gives some appearance of disconnection between the different parts, but on the other hand I felt it was important to produce a balanced report showing the difficulties and the advantages and not trying to hide anything.

Douro

Mr Galland, who is just walking in, was critical of the fact that in the report Spain was always mentioned before Portugal. In recital B of the preamble the French and English texts are different, and I hope we can correct that when we get to the vote. For the rest of the report I have always put Spain before Portugal because in French, his language, *Espagne* comes before *Portugal*. That is the reason, there is no other reason.

Finally, Mr President, I wanted to address a brief remark to the President-in-Office of the Council, who unfortunately has just walked out of the room. This debate was held especially on a Wednesday so that the Council could participate in it. It is therefore, I feel, rather regrettable that for most of the debate the Council was not represented in the Chamber, and certainly not at the beginning or the end. I feel that if Parliament holds debates on Wednesday on matters of such importance to the whole Community, and in this instance to the African countries, it would be preferable if the Council could be represented. Mr President, I therefore hope that the President-in-Office of the Council will read the many comments made by Members asking the Council to conclude the negotiations with Spain and Portugal in the early part of next year.

11. Votes¹**Douro report (Doc. 1-658/82 enlargement of the Community)**

Recitals A to E

Lord Douro, rapporteur. — Mr President, in preamble B, the second preamble, there is a difference between the English text and the French text. Could I ask that the English text be the authoritative one and the French text accordingly altered?

President. — Very well.

Paragraph 49 — Amendment 105

Mr Pöttering. — (DE) The Secretariat has apparently made a small mistake after this was tabled. The aim of the amendment which other Members and I submitted was not — as it actually says on the printed amendment — to insert a new paragraph 48 (a) but to replace No 49. We are simply seeking approval of our decisions in February on the introduction of a plan for the Mediterranean. We are putting this demand to the Commission again.

President. — I call Mr von der Vring.

Mr von der Vring. — (DE) Mr President, I would ask you to note that the logical way to proceed is to put Amendment No 105, by Mr Pöttering, to the vote before Amendment No 47.

President. — Yes, you are right.

After the adoption of Amendment No 40

President. — There is a small problem, ladies and gentlemen. We ought to suspend the voting now in order to move on to Question Time. There are still 15 amendments to be considered, however, and I propose that we continue with the voting.

(Parliament decided to continue voting)

Mr Sutra. — (FR) You mentioned 15 amendments, Mr President. Does this mean that after the joint debate you intend to abandon the vote on my report?

President. — I shall consult the House again after the vote on the Douro report.

After the adoption of the Douro report

President. — I must outline the situation, ladies and gentlemen. There are 39 amendments to the Sutra report, which means that voting will take about half an hour. There are two alternatives: either we shorten Question Time or we postpone the vote until tomorrow. As you know, the President-in-Office of the Council must leave at seven o'clock. If I am to keep to the agenda, I must postpone the vote on the Sutra report until tomorrow.

I call the rapporteur.

Mr Sutra, rapporteur. — (FR) Mr President, I am dead against what you have just proposed and I am amazed at such a suggestion. I request you to put my report to the vote, in accordance with the agenda, and to have the House deal with my motion for a resolution.

(Parliament decided to continue voting)

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

Mr Enright. — Mr President, it seems to me totally, utterly and absolutely discourteous to keep the Council here, particularly since the Council has such a tight schedule. Therefore, I would suggest that we excuse

¹ See Annex I.

Enright

the Council this time. I think it is quite disgraceful that we are doing so, but it seems to me that it is the right and proper thing to do.

President. — I told you that the Council can stay until seven o'clock, but not after that time.

Sutra report (Doc. 1-785/82 enlargement of the EEC towards the south)

After the adoption of the resolution as a whole

Mr Sutra, rapporteur. — (FR) If I may, Mr President, I should like to apologize to the representatives of the Council who have waited until now, but I think it is right for the House to keep to the agendas it decides on.

12. Question Time

President. — The next item is the second part of Question Time (Doc. 1-850/82). We start with questions to the Council.

I call Question 57, by Mr Van Miert (H-369/82):

At the European Council meeting held in London in November 1981, agreement was reached on a number of Community guidelines concerning the first section of the Mandate of 30 May with respect to the restructuring of the Community budget.

In view of the persistent economic crisis and the ever-increasing rate of unemployment, does not the Council feel that practical measures with a sound financial basis are now urgently required to develop a genuine social, industrial and regional policy with the emphasis on the battle against unemployment, and, if so, how does it account for the decisions taken on 28 July by the Council of Ministers for Budget Affairs?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) As the honourable Member recalled, the European Council which met in London at the end of November last year provisionally sketched out a number of guidelines for the Community's future activity, but these were not formally adopted. One of these guidelines involved relaunching the development of Community policies in a number of priority fields. Although these guidelines were provisional, the Budget Council on 28 July did nevertheless recognize the relevance of effective action in the social field to

mitigate employment problems, as it had been asked to do by the meeting of Heads of State or Government in London. For that reason the appropriations of the European Social Fund for 1983 were fixed at 1 442 million ECU in commitment appropriations and 1 155 million ECU in payment appropriations, representing an increase of 16% and 26.7% respectively as compared with the 1982 financial year. With the same intent, the Council provided Community instruments and mechanisms with additional resources in order to carry out action which would be suited to the situation and particular needs of the least prosperous Member States. The appropriations of the European Regional Development Fund were fixed at 1 910 million ECU in commitment appropriations and 1 175 million ECU in payment appropriations in the draft budget for the financial year 1983, representing an increase of 8.55% and 9.3% respectively in comparison with 1982. In this connection it should be noted that these budget allocations were adopted on the basis of existing Regulations which are still in force.

Mr Van Miert. — (NL) May I ask the President-in-Office a supplementary question about the recent Jumbo Council, namely to what extent this Council really did take steps to tackle the economic crisis and unemployment, in view of the fact that the number of unemployed has now reached 11.2 million? I have just read in the press that the French Minister of Finance, Mr Delors, has said that that Council was a Council of indifference. Would the President-in-Office agree with that?

Mr Ellemann-Jensen. — (DA) I would draw your attention to the statement I made earlier today in the House on the outcome of the Jumbo Council yesterday and which indicates that I do not share the view that it was a fiasco. On the contrary, I pointed out that it was the first time a Jumbo Council had managed to agree on some points.

President. — Questions 58, by Mr Deleau, and 59, by Mr Remilly, will not be called since the subject they deal with is already on the agenda. Question 60 will be answered in writing as the author is absent.¹ Since their subjects are related, I call simultaneously

— Question 61, by Mr Lalor (H-432/82):

Will the Council give due reason why it has not discussed the European Parliament's Resolution 'on a ban on the use of plastic bullets' which was adopted by a large majority on 13 May last?

— Question 72, by Mr Balfe (H-461/82):

What steps does the Council propose to take to secure a ban on the use of plastic bullets through-

¹ See Annex II.

President

out the Community as called for by the European Parliament in four resolutions passed in May this year?

— Question 89, by Mr Balfe (H-462/82):

Will the Foreign Ministers draw to the attention of the Polish Government the four resolutions on plastic bullets passed by the European Parliament in May this year?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) As you will be aware, the question raised by the honourable Members falls within the competence of the Member States.

Mr Lalor. — Does the President-in-Office not feel a bit guilty in having to read out the reply he has just given to a question arising from a resolution passed in May last by this Parliament with a resounding majority? And does he not feel ashamed after reading a report from a leading British barrister, Lord Gifford, who condemned the shooting of a 15-year-old in Derry as an act of murder for which he could see no possible defence, at having to say that the Council have taken no action arising from the resolution passed in this Parliament in connection with this horrid carry-on in the six counties of Northern Ireland and have passed it back to Parliament with a statement saying that this is a matter for individual countries? Surely the President-in-Office must take a more serious view of this Parliament than that.

Mr Ellemann-Jensen. — (DA) I can assure the honourable Member that I do not feel at all guilty about this matter. I quietly drew attention to the fact that the problem does not fall within the competence of the Council, and I regard that as taking a serious view of the matter.

Mr Balfe. — Can I ask the President-in-Office whether he would not regard it as being a normal courtesy to reply to a communication, and since this House passed its resolution and communicated it to all the Member States — I have actually seen the letter that was sent — that if they fail to reply it is reasonable for the Council to ask them whether they intend to respect the wishes of this Parliament by replying to its communications?

Mr Ellemann-Jensen. — (DA) I can only repeat that this is a matter for the individual Member States. It does not fall within the competence of the Council.

Mr Paisley. — Is the President-in-Office aware that yesterday in Northern Ireland four people were murdered by lead bullets and that the Labour Party spokesman in the British House of Commons for

Northern Ireland pointed out that plastic bullets were the only weapons that the RUC had to defend themselves against murderous gangs?

Mr Ellemann-Jensen. — (DA) No, the President-in-Office was not aware of that, but his reaction is one of concern and disgust whenever he hears reports of violence.

President. — I call Question 62, by Mr Moorhouse (H-437/82):

Will the Council put natural gas policy, for the Community on the agenda of the next meeting of the Council of Energy Ministers in the light of the controversy surrounding Soviet natural gas supplies to the Community?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) The Energy Council discussed the Commission communication on the Community's natural gas supplies at its meeting on 9 November 1982. The Council noted that natural gas would continue to play a major role in the Community energy supply programme, the diversification of its energy supply sources and the reduction of its dependence on oil. The Council also noted that the Member States' gas industry was making a considerable effort to ensure the availability of natural gas supplies and that, on the basis of the information from the Member States and in the light of the measures at present envisaged, it would be possible to cope with a major interruption in the flow of supplies with the least possible repercussions for the individual consumer. I shall conclude by saying that the Member States will continue with measures to foster domestic production, exploration and development, the diversification of imports and the development of synthetic gas supplies with the aim of improving the long-term security of natural gas supplies.

Mr Moorhouse. — I would thank the President-in-Office for his very helpful reply. I would be interested to know what discussions he has had with the Norwegian government with a view to establishing whether Norway could make a bigger contribution to Europe's natural gas supplies in the future?

Mr Ellemann-Jensen. — (DA) I have not had any talks with the Norwegian Government on this matter, but I am aware that the Commission has had discussions with them and that various views have been expressed in this House over the last few days, when a Norwegian delegation was on a visit here. I look forward with interest to hearing more about these talks at various levels.

Mr Israël. — (FR) Can the President-in-Office confirm the reply given at the last Question Time by his

Israël

colleague responsible for political cooperation, to the effect that there is no proof of slave labour being used on the construction of the Siberian pipeline?

Mr Ellemann-Jensen. — (DA) I can confirm to Mr Israël that I am not in possession of any such proof.

President. — Since the authors are absent, Questions 63 and 64 will be answered in writing.¹

I call Question 65, by Mr Normanton (H-372/82):

What steps are Member States proposing to take to ensure that citizens who reside or work in other Member States will be able to vote at the European Elections in June 1984?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) The draft act adopted by the European Parliament in March 1982, and in particular Article 5 dealing with the problem raised by the honourable Member, is still under consideration in the Council. We are all aware that changing the Member States' electoral laws is an enormously difficult matter both technically and politically, so that it will probably come as no surprise that there are still a great number of unsolved problems.

Mr Normanton. — Whilst thanking the President-in-Office for that somewhat depressing answer, may I still urge that if there were a decision, in principle, by the Council to proceed along these lines, I believe that the people of Europe would see this as the greatest single sign of hope for future European development and that the political consequences of such a procedure would make well worthwhile the efforts of overcoming the difficulties of national legislative measures?

Mr Ellemann-Jensen. — (DA) There can be no question of a decision in principle. As I said, there are a number of unsolved and specific problems which will be discussed at the Council meeting next week. Moreover, I can inform you that one of these unsolved problems is whether the right to a vote and the right to stand for election should be linked to the nationality or the country of abode. Another unsolved problem is whether the elections should be by proportional representation or by simple majority with single-member constituencies. There will thus be a lot to discuss at the forthcoming meeting of the Council.

Mr Marshall. — Would the President-in-Office of the Council not agree that the matter raised by Mr Normanton does not in fact contain any major difficulties

at all, since all it needs is a declaration of political will on part of the Council, and that solving the problem Mr Normanton has put forward would take very much less time and entail much less difficulty than seeking to impose a uniform electoral system on the people of Europe, which has not a cat-in-hell's chance of being agreed before the next European elections?

Mr Ellemann-Jensen. — (DA) As you are aware, the Council has been presented with a proposal from Parliament, and it goes without saying that the Council will give this proposal proper consideration. Among other things, this means that we are obliged to consider in detail the various familiar proposals contained in the proposal in question.

Mr Balfe. — Would the President-in-Office of the Council accept that the basis of democracy is that people control the environments in which they live and that this question is misplaced, because we should not be asking each Member State to ensure that its citizens who reside elsewhere have a vote in that State but in a true democracy would be asking each Member State to enfranchise all citizens who lived within that State.

In other words, that Community citizens in the UK should vote for UK candidates because that is where they live while candidates in other States go the votes of UK and other citizens living in those States?

Mr Ellemann-Jensen. — (DA) The view that has just been expressed is only one of several, but it will naturally be taken into account at the Council meeting next week.

Mr Israël. — (FR) Mr President, would it not be desirable, as a matter of principle, to call at least one question on political cooperation before 7 p.m.?

Mr Bonde. — (DA) Will the President-in-Office give an assurance that Danish migrant workers in Norway and Sweden will be given voting rights on the same basis as Danish workers in, for instance, Luxembourg or Strasbourg?

Mr Ellemann-Jensen. — (DA) I am not in a position to answer that at this stage. This is one of the problems being examined.

President. — Question 66, by Mr Cousté, will not be called since the subject is already on the agenda.

I call Question 67, by Mr Skovmand (H-411/82):

According to a Commission note dated 22 August (PE 80.247), the Commission President, Mr Thorn, discussing the right of veto with the Fin-

¹ See Annex II.

President

nish Foreign Minister, Mr Stenbäck, said that it was unlikely that politically motivated attempts to obstruct Community proceedings would be tolerated in future.

Can the Council give an assurance that this is not the case?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) The Council does not comment on statements made outside the Council by the President of the Commission. The Council would also draw attention to the fact that, at the meeting on 17-18 and 27-28 January 1966, the six delegations found that there was a difference of opinion on what ought to be done if they could not reach a compromise on all points. As you will be aware, these differences of opinion still exist.

Mr Skovmand. — (DA) I take this to mean that no consideration has been given to what the President of the Commission said, so that what was decided upon in 1966 still applies. Just to make sure, may I ask whether my interpretation is correct?

Mr Ellemann-Jensen. — (DA) A statement such as the one quoted as having been made by the President of the Commission naturally does not change the legal basis of the Community.

Mr Herman. — (FR) Despite the fact that there are still differences of opinion between certain members of the Council as to what happened in 1966, no objection can be made on the basis of an interpretation of the Treaty, and no commentary by a lawyer could allow an interpretation other than the one supported by the majority at that time. In view of the fact that only one delegation out of six maintained a position to the contrary, and this interpretation should never have been accepted, will the President-in-Office not confirm today that the members of the Council are acting in flagrant violation of the Treaty?

Mr Ellemann-Jensen. — (DA) It would never occur to me to maintain any such thing.

President. — With the kind agreement of the President-in-Office we turn now to question to the Ministers of Foreign Affairs.

Mr Ellemann-Jensen, President of the Foreign Ministers. — (DA) I am sorry, Mr President, but I have to go at 7 p.m. because of pressing appointments elsewhere.

President. — I am therefore obliged to declare Question Time closed^{1, 2}

(The sitting was closed at 7 p.m.)

¹ See Annex II.

² Agenda for next sitting: see Minutes.

ANNEX I

Votes

The Annex to the Report of Proceedings contains the rapporteur's opinion on the various amendments and the explanations of vote. For a detailed account of the voting, see Minutes.

DOURO REPORT (Doc. 1-658/82 Enlargement of the Community): ADOPTED

The rapporteur was:

- IN FAVOUR of amendments Nos 3, 4, 5, 6, 7, 17, 18, 19, 44, 46, 47, 51, 59, 60, 63, 96, 98 and 105;
- AGAINST Amendments Nos 1, 2, 9, 10, 15, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 35, 36, 37, 38, 39, 40, 41, 42, 43, 48, 49, 50, 52, 54, 55, 56, 57, 65, 67, 68, 71, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 94, 95, 97, 99, 100, 101, 102 and 104.

Explanations of vote

Mr Plaskovitis. — (*GR*) Mr President, the accession of Spain and Portugal, in accordance with the express wish of the governments and political parties of the two countries, is of enormous political importance both to the Greek Socialists in PASOK and to the Socialists of the Mediterranean countries of the Community. In both countries, decisive progressive forces are gaining strength and are naturally attempting to make up for the time during which their economies remained stagnant, and for which they had to pay dearly because of the totalitarian regimes which reigned for so long over the people of these two countries, which are both southern countries.

The Greek Socialists will therefore vote in favour of the Douro report, despite the evident problems which will arise in the agricultural sector in particular, since both countries produce the same goods as Greece. We do, however, have decided reservations regarding paragraph 29 of Lord Douro's report, which states that Greece should join the EMS. This has nothing to do with the enlargement of the Community to include Spain and Portugal, and should be deleted.

Mrs Fullet. — (*FR*) We support the accession of Spain and Portugal, but not at any price. One of the primary conditions is the need to maintain a balance with non-member countries, particularly those of the Mediterranean Basin, which are vitally important to the Community both politically and economically. I am thinking in particular of the Community's links with the Arab world, which represents a market rich in potential. The preferential relationships with the third countries of the Mediterranean must not, therefore, be affected.

The precise contents of the protocols must be firmly established before the Treaties of Accession are signed. No doubts or ambiguities must remain once the enlargement has gone ahead. The Council is right to ask for an inventory of the problems which accession will bring. The problems facing the Mediterranean countries have been aggravated by the bias of the Common Agricultural Policy against Mediterranean products and by the lack of a common regional development policy. Enlargement will probably increase the competition which our Mediterranean partners face on the Community market, particularly in those countries' main export sectors, such as citrus fruits, tomatoes, wine and olive oil in the agricultural and agri-foodstuffs sector and textiles in the industrial sector.

We must ensure that our fragile links with the Mediterranean countries are not jeopardized by a reduction in their share of the market, unless we want to see them take their

trade elsewhere. For this is what they would have to do in order to sustain their development, and we would be the ones to blame.

For an enlarged Community we need to create an overall Mediterranean policy under which the Community would play an active part in the development of our partners while respecting their policies.

But there can be no Mediterranean policy until the regional disparities within Europe have been reduced. This calls for a firm development programme based on a strong regional policy.

However, we have proved incapable of reducing the internal disequilibrium between the regions of the South, i.e. the regions most likely to be affected by enlargement, and those of the North; we have proved incapable of aligning our internal policies and, above all, of creating Community solidarity.

For all these reasons, and because we want to be sure that the enlargement will succeed, we French Socialists are bound to abstain from voting for Lord Douro's report.

Mr Forth. — I am going to speak for two reasons. One is that I think it is important that we assert the right of Members to use the explanation of vote — which I am going to do — and the second is that I am going to demonstrate that some parliamentarians can make a speech without reading from prepared notes. Those who have read from prepared notes could have submitted these in writing. I am going to say a few words and therefore do not propose to submit something in writing.

I believe that the amendments we have made to paragraph 4 are unrealistic and I do not wish this House to make unrealistic statements. I believe that paragraph 14, making reference to elections to this House, is most regrettable. We made a grave mistake in allowing unelected Greek Members into this House, and I believe that we would make a bigger mistake in allowing our Spanish and Portuguese friends to send Members to this House who have not been directly elected. They have plenty of time and plenty of notice. But most of all, Mr President, I believe that the attitude that we are taking on this matter is regrettable in that we are going to attempt to enlarge this Community without reforming the budget of the institutions, and that poses a very great risk of damage to the Community as well as to the applicant countries. We should reform the Community first, then enlarge it, and only in that way will we protect the interests of both the Community and the applicant countries.

Lord Bethell. — Mr President, while I support the main thrust of Lord Douro's report, I find it very regrettable that this Parliament does not call for the lifting of the frontier blockade between Spain and Gibraltar. For that reason I shall be abstaining in the vote.

Mr De Goede. — (NL) We intend to support the Douro resolution and our main reason for this is that the still somewhat shaky democratic system in Spain — and Portugal too — deserves reinforcing by being included in the European comity of nations as soon as possible. We by no means underestimate the problems surrounding the accession, which will call for considerable sacrifices.

The question of whether this accession will make a two-speed Europe with all its consequences inevitable is a relevant one — indeed this question must be weighed against the arguments in favour which I have just mentioned.

As we see it, the Douro report contains a balanced assessment of the need, for the Spanish accession and its desirability and disadvantages.

What we need now is for the negotiations to be wound up quickly in the light of this report.

It is to be hoped that, after the 1984 elections, our Spanish and Portuguese friends will be able to take their places among us as fully fledged Members.

Mr Israël, (written explanation). — (FR) The EPD Group will be abstaining on the whole resolution. We regret that this House did not see fit to vote for Amendment No 34 on paragraph 58. We shall be seeking assurances that there are no plans to modify existing Community policies in any great degree to facilitate the accession of Spain.

Having said that, we believe that there is a place there for Spain and Portugal in the Community. Membership will serve to strengthen democracy in these two countries and bring the democrats of Western Europe closer together. To strengthen democracy in Spain and Portugal would be to strengthen democracy in Europe as a whole.

However, we believe that the difficulties, of which everyone is aware, should be settled *before* accession. Consequently we believe it is futile to think in terms of fixed deadlines. It would be wrong to bring Spain and Portugal into the Common Market with eyes closed and then start whining about the crisis in Europe.

For all that, it is not fair to say that the difficulties in question concern France alone. The whole of the European economy stands to suffer unless precautions are taken.

The group to which I have the honour to belong is pleased that the rapporteur and the Political Affairs Committee have accepted two important amendments which we tabled:

- one concerning the need for the applicant countries to respect *l'acquis communautaire*, including achievements in the area of political cooperation (paragraph 6 of the resolution);
- the other (paragraph 29) pointing out that the United Kingdom and Greece should logically join the EMS if Spain and Portugal are required to do so.

For these reasons we truly regret that we are on this occasion unable to add our voices to those approving Lord Douro's useful report.

Mr Kyrkos, (written explanation). — (GR) We support Spain and Portugal's accession to the EEC and look forward to the new impulse this will give to the prospects of the European Community. Both countries suffered under fascist regimes for a long period of time — the longest in Europe. It is our obvious duty to support accession, which has the backing of the peoples concerned, as a measure of our democratic solidarity with these countries. It will also be a definitive sign that the EEC cannot be a rich men's club.

However, this accession will exacerbate problems which have existed for some time. The additional quantities of olive oil, citrus fruits and wine may create deep scepticism on the part of the representatives of a country which has exactly the same produce. Nevertheless, as we have always emphasized — and the Greek memorandum sets out the problems clearly at the highest Community level — that policies must be applied quickly to deal with the special problems of the Mediterranean countries, so as to ensure a new balance in the distribution of resources, and assist the speedy development of these regions. We therefore ask that the need for support from the Regional Fund and the special integrated programmes be emphasized much more strongly in paragraphs 7, 49 and 40-45, so as to make it clear that Mediterranean produce should not be expected to bear the brunt of enlargement all alone. It would appear that this motion has been inspired by those who maintain that the Community should be enlarged without the present structures of the Community being affected. Although the political advantages for the Community and for its external economic relations with the Spanish-speaking world — which will obviously benefit the developed countries of the Community — are highlighted, the problems created for the other Mediterranean Member States and the need to reorganize the Community budget are not given adequate consideration. It is obvious that the motion lacks the ideas, imagination and political purpose which are necessary if the enlargement is to become an opportunity for fundamental changes within the Community and for renewed progress towards European unification. We must head in this direction if we do not wish enlargement to cause a drastic sharpening of the differences already existing between the present Member States.

Ladies and gentlemen, it is my opinion that the people of these two countries will lend their strength to the struggle for democratic progress in Europe. The Greek Communist

Party of the Interior supports the accession and voted in favour of the motion, despite the objections and reservations mentioned above.

Mrs Pery, (written explanation). — (FR) Ladies and gentlemen, I live 10 km from the Spanish border. I am therefore particularly sensitive to the problem of enlargement, not only from the political point of view but also from the cultural and economic points of view.

When one lives hundreds or even thousands of kilometres away it is easy to put out the welcome mat without thinking twice. But as the elected representative of a region one has a duty to voice the region's problems.

Industry, agriculture and fishing in South-West France will be directly affected by Spain's accession. The fishermen in my region fear the arrival of a highly efficient Spanish fishing fleet which may even start to lay claim to historic fishing rights in the zones which it has not fished since the Community's waters were extended.

So let us open the files and get down to some frank discussions. Let us also prepare to vote a budget accordingly. I can assure you that our Spanish friends are not stupid: they know very well that a policy of open arms but closed files and purses only delays the date of accession.

I reaffirm my support for an agreement which maintains the balance between the various interests involved. I would also like the agreement to be concluded as soon as possible, but not necessarily by 1 January 1984, a deadline which will be difficult to meet and which will hamper negotiations. Consequently, I shall be abstaining.

Mrs Theobald-Paoli, (written explanation). — (FR) It seems to me that this House has today followed the approach adopted by François Mitterrand in Madrid: 'Will Spain join the Community? Yes. Are there problems? Well, let's talk about them'.

I regret that the questions on the agricultural implications have obscured the very real need to give greater thought to the industrial implications of enlargement, in particular as regards those sectors already in difficulties.

I am thinking in particular of the shipyards, which will see the problem of over-capacity aggravated just at a time when a difficult but promising restructuring programme is under way in certain Member States, including France.

Thus, while welcoming a democratic Spain into our midst we hope that she will see the need for reciprocity. Up to now, hardly any Spanish ships have been ordered from Community shipyards, whereas French shipowners have placed large orders in Spain.

In addition, Spain must undertake to abide by the rules of the OECD and inform the Commission of the aid which she grants to her shipyards.

The people I am defending are the 'false rich': the Var, for example, has only one industry — shipbuilding — and that is now under threat.

The talk in the integrated Mediterranean programmes is of the need to create permanent jobs in industry and to improve vocational training to avoid an exodus of the population. However, we should not overlook the existing qualified labour force in these regions, a labour force which would be difficult to retrain and which claims the right to live and work in its own region.

We confidently expect that by entering into a detailed and open dialogue with our European friends from the Iberian peninsula we should be able to overcome these difficulties.

Mr Vitale, (written explanation). — (IT) We shall vote for both resolutions in order to help bring about the broadest possible agreement on the rapid entry of Spain and Portugal as members of the Community. As I said before, in the Douro report there are several

things we do not agree with but we go along with most of the Sutra report. Our agreement does not affect our differing views on some aspects of the timetable and procedure of accession. At the present time, however, we feel it is more important for this Parliament to give a positive response, and one which is as broadly based as possible, to the proof of democratic maturity which was shown in the recent Spanish elections and which will make new political and cultural contributions to the whole of Europe as well as to Spain.

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SUTRA REPORT (Doc. 1-785/82 enlargement of the EEC towards the south)

The rapporteur was:

- IN FAVOUR of Amendments Nos 6, 7, 8, 10, 19, 32 and 39;
- AGAINST Amendments Nos 1, 2, 3, 5, 9, 11, 12, 14, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 33, 34, 35, 36 and 38.

Explanations of vote

Mr Enright. — I shall be voting against this resolution, and not because of the absurdity of having the vote at this time so that a few people can be inconvenienced because they never stay for the whole five days. That is not the reason; I shall take other measures to combat that sort of behaviour through the Rules of Procedure.

I am voting against it because once again we are promoting an absurd oil regime; but above all because there is sheer hypocrisy in this resolution. The hypocrisy of the resolution is that the selfsame people who have been voting for it throughout this day failed to vote for the recommendations from the Committee on Development and Cooperation, which spelled out in much less detail defence for those who are starving and on the bread-line. We will do things for our rich fat farmers that we are not prepared to do for the Third World, and that is why I shall vote against.

Mr Vitale, (written explanation). — See explanation of vote on the Douro report.

ANNEX II

I. Questions to the Commission

Question No 15, by Mr Adamou (H-434/82)

Subject: Restructuring of Greek tobacco plantations

Within the framework of the CAP the Community has decided that in certain regions of Greece (Etolia and Akarnania, Macedonia, Ipiros) plantations growing tobacco mainly for domestic consumption but also for eastern Cyprus must change over to Virginia and Burley tobacco or else to other crops entirely. However, the soil in those regions is poor and infertile and therefore entirely unsuitable for such crops, which can thrive only on fertile soil. Consequently, replacement of the crops currently being grown by Virginia and Burley tobacco or by any other crops would mean economic disaster and remove tobacco-growers completely from those regions.

What measures does the Commission intend taking in order to prevent the implementation of this decision which is inimical to farmers, and to avoid the uprooting of thousands of Greek agriculturists from these regions, particularly under present-day conditions when unemployment has become the No 1 problem for all countries of the Community.

Answer

1. The honourable Member may rest assured that no Community decision has been taken concerning the replacement of Oriental varieties of tobacco by Virginia or Burley varieties in certain regions of Greece.
2. However, the Greek Tobacco Institute is carrying out research under the Agrimed programme to establish which varieties of tobacco could be grown in place of the Oriental tobaccos encountering marketing difficulties.
3. The main aim of this programme is to ensure that tobacco production remains one of the major sources of employment and income in these regions.

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Question No 16, by Mr Moorhouse (H-436/82)

Subject: North sea gas supplies to the Community

What discussions has the Commission had with the Government of Norway about gas supplies to Member States from the northern North Sea in the light of the controversy surrounding Soviet natural gas supplies to the Community?

Answer

The Community has close contacts with the Norwegian Government and has held frequent discussions on energy developments and in particular natural gas supplies to the Community. The Commissioner responsible for energy, Vice-President Davignon, has regular meetings with the Norwegian Ministers responsible for energy and industrial affairs. There have also been frequent meetings between officials.

The Commission has often emphasized the important role of Norwegian gas in the Community supply network. The Norwegian Government, for its part, is well aware of the importance of Norwegian natural gas in this context and the Community's concern to safeguard its future supplies.

In fact, a new agreement for the supply of 3 500 million m³ gas per year from the Norwegian sector of the North Sea to the Federal Republic of Germany, France, the Netherlands and Belgium has just been signed. Negotiations are currently being held on additional supplies.

Nevertheless, given the technical problems which still have to be solved and the enormous investments required, there are unlikely to be any large quantities of additional gas available until the end of this decade at the earliest. Moreover, the Norwegian Government has to examine in depth all the social and environmental implications of developing its gas resources.

As far as gas supplies from the USSR are concerned, I should like to point out that even at its maximum level, i.e. in 1990, this will only represent some 20% of Community gas supplies and less than 4% of its total energy supplies. These Soviet gas supplies represent a useful form of diversification which reduces the Community's current dependence on oil imports which even today still account for roughly 40% of total energy supplies.

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Question No 19, by Mr Seal (H-301/82)

Subject: Use of 2, 4, 5-T

In view of the reports that the Commission are advising Member States governments to ban the use of 2, 4, 5-T in each country, due to the risks to health posed by this chemical, would the Commission explain why they are not prepared to issue a regulation or a directive, and are they afraid to confront the Council of Ministers, knowing the reactionary views of the United Kingdom Ministers on this subject?

Answer

With respect, the honourable Member seems to be misinformed. In its communication to the Council of 17 June 1982¹, the Commission concluded that on the basis of existing scientific evidence a Community-wide prohibition of the marketing and use of 2, 4, 5-T herbicides would *not* be justified.

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Question No 20, by Mr Bonde (H-356/82)

Subject: EC invitations to tender

Pursuant to the Community rules on invitations to tender, Danish contracts have, in some cases, been awarded for foreign firms even when local unemployment has been extraordinarily high and Danish firms have submitted tenders which, when account is taken of their very high financing costs, were very competitive.

Will the Commission permit the Danish authorities to take account of the higher interest rates which Danish firms have to pay compared with foreign competitors when taking decisions on Community invitations to tender?

Answer

The Commission finds no evidence in the latest information available to it to confirm that Danish based firms are losing contracts awarded under rules of EEC Public Procurement Directive to foreign based firms because of the high interest rates prevalent in Denmark.

¹ OJ C 170 of 8 July 1982, p. 6 (see Annex I).

Even if the above were to be confirmed, the Commission cannot take a position on the question of whether it would authorize interest rate subsidies to Danish firms until such time as it receives a specific request from the Danish authorities.

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Question No 21, by Mr Kirk (H-381/82)

Subject: Termination of French VAT credit

With effect from autumn 1981 the French customs authorities have cancelled, for foreign producers or their agents in France, the VAT credit usually granted to both domestic and foreign firms. Did the French customs authorities decide on this measure, which constitutes a distortion of competition, with the approval of the Commission or will the Commission take steps to guarantee uniform VAT credit conditions for all Community producers and their agents in respect of sales in France?

Answer

The measures which the honourable Member claims have been adopted by the French authorities cancelling the VAT credit for importers in general have not at any rate been taken with the Commission's approval. Nor have the French authorities yet informed the Commission of general measures of this kind. Unfortunately the Commission was not able to obtain the necessary information from the French authorities in time for this session with a view to appraising the situation exhaustively.

However, if it is established that goods from other Member States imported into France are being discriminated against *vis-à-vis* domestic products in respect of the VAT credit, the Commission will take steps to ensure that the problem is settled in line with the provisions of the EEC Treaty.

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Question No 25, by Mrs Squarcialupi (H-409/82)

Subject: Controls on export of acetic anhydride for the production of heroin

During the debate on the combating of drugs of 13 May 1982 and with particular reference to my question on the production and exportation by Community countries of acetic anhydride without which the production of heroin would be impossible, Commissioner Richard said the following: 'The Commission has recently informed the representatives of the European chemical industry of its concern about exports of this substance to the countries of the Middle East and southeast Asia. But it would be extremely difficult in our view at the present stage to set up rules regarding exports of such widely used chemicals. Taking into account the complex network of exchanges, I feel it has to remain the responsibility of the government authorities of the importing countries to check for what purposes and to what extent imports are justified'. Does the Commission not think that this answer is rather too hasty and compliant and that it has been influenced by the representatives of the chemical industry whereas the question should be examined in greater detail given the proportions which the drugs problem has assumed in the countries of the European Community?

Answer

When the Commission stated in Parliament on 13 May 1982 that it was extremely difficult to control the export of acetic anhydride from the Community, it did so after a detailed analysis of the problem and a considered appraisal of all the factors involved.

In no way does this mean that the Commission wishes to play down the problem of heroin addiction.

However, it believes that a realistic appraisal of the problem shows that, for simple scientific reasons, it is extremely difficult, if not impossible, to prevent this misuse of acetic anhydride by means of export controls.

Even if one were to assume that the export of acetic anhydride from the European Community could be controlled down to the last gram, it would be a simple matter for anyone who can manufacture heroin to fall back on acetylating agents other than acetic anhydride or to manufacture this product from acetic acid or acetone, two products which are far more readily available in the market than acetic anhydride.

Thus the Commission has by no means answered too hastily. It drew its conclusions completely independently and was in no way influenced by representatives of the chemical industry, as the question implies.

The Commission remains convinced that the problem in question concerns the chemical industry's sense of responsibility and has confidence in the existing cooperation arrangements between the industry, dealers and the national and international authorities.

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Question No 26, by Mr Skovmand (H-410/82)

Subject: The right of veto

According to a Commission note dated 22 August 1982 (PE 80.247), the Commission President, Mr Thorn, discussing the right of veto with the Finnish Foreign Minister, Mr Stenbäck, said that it was unlikely that politically motivated attempts to obstruct Community proceedings would be tolerated in future.

I would like to have a detailed explanation of the meaning of this statement. Does it mean that in the Commission's view the Luxembourg Compromise's unanimity requirement no longer applies?

Answer

1. The Commission fully endorses the statement made by its President, as quoted in the honourable Member's question.
2. The Commission believes that the continual preoccupation with establishing a consensus to take account of the 'very important interests' of a particular Member State not only paralyses the Council's decision-making process but may also be incompatible with the vital interests of other Member States or of the Community as a whole.
3. The Commission has always believed, as have the great majority of Members of your Parliament, that a return to the correct implementation of the Treaties is an essential prerequisite for improving the decision-making process and thus ensuring the smooth functioning of the Community.
4. It has in fact recommended on several occasions that, following the enlargement of the Community, there will need to be a systematic return to the majority vote system.

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Question No 27, by Mrs Van den Heuvel (H-427/82)

Subject: American boycott of European suppliers in connection with the construction of a pipeline

According to reports in the Dutch press concerning a meeting in the context of political cooperation, the Dutch Foreign Minister expressed his displeasure at the attitude of three Member States of the Community to the American boycott of European supplies for the construction of a pipeline. Did the representative of the Commission, a pre-eminently 'Community' institution, associate himself with the Dutch protest at that meeting and can the Commission state how the Foreign Ministers of the Federal Republic of Germany, France and Italy reacted?

Answer

It is not for the Commission to divulge what happens in the course of Political Cooperation meetings.

The Commission would point out that, in accordance with the agreements concluded, the President of the Council is responsible for coordinating the work of Political Cooperation and the work of the Community, and that the Commission is fully involved in Political Cooperation at all levels. In the case referred to by the honourable Member the Community is participating in the negotiations with the American authorities on the gas pipeline to the full extent of its competence.

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Question No 28, by Mrs Hammerich (H-430/82)

Subject: Economic guidelines and recommendations to the individual Member States

In the autumn of 1979 the Commission proposed that the Danish cost of living adjustment should be reduced by excluding energy prices from the price index calculations and this was in fact done in Denmark. Since then two successive Danish governments have made conflicting statements on the subject. The first asserted that it was not obliged to follow the Commission's economic recommendations and the present Foreign Minister has stated that it is very difficult for the Danish Government to ignore Community warnings.

Answer

The Commission's proposal for indexation mechanisms that do not pass on the rise in energy prices, to which the honourable Member refers, was adopted by the Council under Decision No 80/67/EEC of 17 December 1979 adopting the Annual Report and laying down the economic policy guidelines to be followed by the Member States in 1980. The Community's position on this question has been confirmed several times, and was reiterated in the Commission communication to the Council of 23 July 1981 on the principles of indexation in the Community.

Obviously, the responsibility of the Community institutions, including their economic responsibilities, cannot be properly discharged if those to whom Community instruments are addressed do not fully comply with the provisions therein.

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Question No 29, by Mr Pearce (H-431-82)

Subject: Community aid to the Turkish-speaking part of Cyprus

In the light of its knowledge that the island of Cyprus is currently administered by two separate governments (covering respectively the Greek-speaking and the Turkish-speaking parts of the island), what proportion of Community aid (i.e. (a) EEC grants and (b) EEC loans) and of EEC import quotas has been allocated to the Turkish-speaking part of the island in the last four years and, in the light of this answer, is the Commission satisfied that its current contracts with Cyprus satisfy the requirement of Article 5 of the EEC/Cyprus Association Agreement that the rules governing trade must not discriminate between nationals or companies of Cyprus?

Answer

In implementing the EEC-Cyprus Financial Protocol, the Commission has taken care to ensure that all the resources provided under this protocol have been for projects from which the entire population of the island benefits.

In accordance with this principle the funds of the Financial Protocol were allocated to the following projects:

- expansion of the electricity supply network to the entire island;
- water supply project for additional connections to houses in the towns of Nicosia, Larnaka and Famagusta;
- construction of a sewage and water supply network for the town of Nicosia.

The entire population of the island will benefit from all of these projects. The first project has already been approved; approval for the financing of the other two projects is to be given by the end of the year.

In the trade sphere too, the Community is obliged to adhere to the principle that the benefits of the Association Agreement must apply to the entire population of Cyprus. To this end, import quotas are being established without discrimination in accordance with Article 5 of the Association Agreement.

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Question No 30, by Mr Purvis (H-438/82)

Subject: Appraisal of Wine Regulation

Regarding the Appraisal of Wine regulation Amendment No 2144, will a subordinate regulation be issued which includes the Commission's Statement safeguarding ethyl alcohol and spirituous beverage producers against all wine alcohol disposals?

Answer

In the case of obligatory distillation, the wine regulation, as most recently amended, contains provisions to ensure that the market for alcohol and spirituous beverages is not disrupted by wine alcohol disposals. This safeguard will have to be incorporated in the implementing measures for this regulation.

As far as voluntary distillation is concerned the Commission will seek to avoid any disruption in the wine and alcohol sector while enabling distillers to pay the minimum guaranteed price and sell wine alcohol at a price which is competitive in relation to the other types of alcohol on the market.

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Question No 33, by Mr Newton Dunn (H-450/82)

Subject: Answers to Written Questions

Is it correct that Answers to Written Questions to the Commission are subjected to scrutiny, and therefore presumably to approval, by the Member States before they are sent to MEPs? If so, why? And by what authority?

Answer

The Commission has already explained to Parliament the reasons behind this procedure in its answers to the questions by Mr Cohen, Mr Schmid, Mr Sieglerschmidt and Mr Moreland.

The Commission would remind Mr Newton-Dunn that an agreement has been in force since March 1959 in accordance with which the Commission, once it has approved the answers to written questions, forwards these to the Council to ensure the technical accuracy of information relating to Member States.

This procedure therefore serves as a means of gaining information from the Council and is not a form of consultation in order to gain Council approval.

Similarly, the Commission is informed of the answers which the Council intends to give to written questions.

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Question No 34, by Mr Kyrkos (H-451/82)

Subject: Aid for Agricultural Cooperatives, Unions of Agricultural Cooperatives and Producer Groups in marketing agricultural products

In view of the Greek Government's efforts to streamline marketing structures for agricultural products in Greece for the benefit of farmers and consumers, can the Commission state what specific measures it has taken or is intending to take to promote and aid the marketing of agricultural products by Agricultural Cooperatives, Unions of Agricultural Cooperatives and Producer Groups?

Answer

The Commission, aware of the weak marketing structures for agricultural products in Greece, provided in the Act of Accession for the immediate extension of all Community provisions relating to the improvement of marketing structures for agricultural products.

Consequently, the horizontal measures concerning common measures to improve the conditions under which agricultural products are processed and marketed (Reg. 355/77) and producer groups and associations thereof (Regs 1360/78 and 1616/82) have been extended to Greece.

More particularly, as regards Regulation 355/77 the Commission has already approved five sectorial programmes (olives and oleaginous products; cereals; fruit, vegetables and flowers; wine; livestock production). In this context, agricultural cooperatives and their associations are prime beneficiaries of aid for investments in connection with the marketing of agricultural products.

As regards Regulation 1360/78 the Commission has, through Regulation 1616/82, fixed the minimum operation and the minimum number of members of producer groups and their associations at a relatively low level, specifically to enable them to function more effectively.

Finally, I would inform the honourable Member that when the Commission comes to draft the Community measures in the Greek 'Memorandum' it will take into consideration the need to improve the structures for the production and marketing of agricultural products by producer groups in the various sectors.

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Question No 35, by Mr Patterson (H-453/82)

Subject: Intervention sugar for bee-keeping

In view of the crisis now facing Community bee-keepers, who are obliged to pay the full Community price for sugar, needed for the winter feeding of bees, of 700 ECU's per tonne as opposed to the world price of 150 ECU's per tonne available to third country competitors, will the Commission now reconsider its refusal to provide intervention sugar for Community bee-keepers as a matter of urgency?

Answer

Since the sugar marketing year 1977/1978, the Community has not had any intervention stocks of sugar and is therefore unable to put such sugar at the disposal of bee-keepers. Furthermore, the Commission would point out to the honourable Member that the current intervention price for Community sugar including the storage level is 556.6 ECU/tonne¹ and that the price of white sugar on the world market is currently fluctuating around 200 ECU/tonne.

Intervention in the form of a denaturing premium cannot be considered, firstly because there are no appropriations available for this in the budget and secondly, because the bee-keepers themselves, particularly the British bee-keepers, take the view that the use of denatured sugar would not be appropriate to their requirements. This is why the Commission made a proposal to the Council, which it accepted, to grant aid to bee-keepers for the three marketing years 1981/1982, 1982/1983 and 1983/1984 (Regulation (EEC) No 1196/81-OJ No L 122, 6. 5. 1981, p. 1) of 1 ECU per productive hive per marketing year. This aid which is given to recognized bee-keeping associations can be used by the latter, in the 1982/1983 marketing year, entirely for the purchase of feeding sugar which is available at a reduced price to registered holders within the limit of 5 kg per hive.

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Question No 37, by Mr Adam (H-455/82)

Subject: Colour TV tube imports

What action does the Commission intend to take to monitor the import of colour TV tubes under Regulation 288/82?

Answer

The Commission would point out to the honourable Member that imports of cathode ray tubes for televisions of Japanese origin are subject to Community monitoring in accordance with Regulation (EEC) 537/81 (OJ L 54 of 28 February 1981, p. 63). The honou-

¹ UK price, 568.7 ECU/tonne, including storage levy.

ble Member can also consult Written Question 1248/82 by Mr Boyer, to which an answer will be published shortly.

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Question No 38, by Mr de Ferranti (H-456/82)

Subject: Unfair treatment of wine and whisky drinkers

A year has elapsed since Ministers failed to agree on proposals for harmonizing excise duties on alcoholic beverages. Consumers of wine in the United Kingdom and of whisky in France continue to suffer from discriminating tax treatment already ruled illegal by the Court of Justice. Will the Commission now take fresh steps to end this injustice?

Answer

In neither case are there any fresh steps which it is open to the Commission to take.

Let us first examine the wine problem. Here, the case which the Commission brought against the United Kingdom for its discriminatory taxation of wine is still awaiting the final decision of the Court.

Parliament will recall that the Commission requested the suspension of proceedings in this case when it seemed possible that a negotiated solution would be achieved within the framework of the Council discussions on the harmonization of excise duties on alcoholic drinks.

On the breakdown of those discussions in October last year, the Commission reopened proceedings and the Court held a second oral hearing of the case on 19 May last. Following that hearing, however, the Court still felt unable to rule on the case and, on 25 July last, posed further questions to the parties, to be answered by 13 November 1982. The replies to the Court's questions have been delivered and we must now await the Court's decision. It is perhaps worth noting, however, that during the course of this long case the United Kingdom has made a series of small, but not insignificant reductions in the gap between its rate of duty on wine and its rate on beer.

Turning now to the whisky problem. On 27 February 1980, the Court ruled that the French taxation of whisky (among other imported spirits) contravened the provisions of Article 95 of the Treaty. Thus, the Commission had won a long and difficult case.

The French authorities promised to comply with the Court's decision. In successive Finance Acts France has reduced the gap between its higher and lower rates of tax on eaux-de-vie. It has not, however, achieved the identical rate for all eaux-de-vie demanded by the Court. As the law stands at present, higher rate drinks such as whisky are taxed at the rate of FF 7655 per hl of alcohol, and lower rate drinks such as brandy are to be taxed at the same level from February 1983. However, for the 1982 fiscal year, these latter drinks benefit from a temporary reduction in the tax to FF 7015. The French Finance Bill for 1983 contains no provision for the maintenance of that temporary reduction. We can therefore expect the Court's ruling to be fully implemented by February 1983.

In view of the long drawn out adjustment of the relevant rates of taxation, the Commission opened new proceedings against France for non-compliance with the Court's ruling of 1980 on 5 April of this year. This case is still pending before the Court.

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Question No 39, by Mr Moreland (H-458/82)

Subject: State subsidies for Algerian natural gas supplies

Are the subsidies given by the Government of France and the Government of Italy to their respective national gas undertakings in respect of Algerian natural gas supplies in conformity with the Community's Rules on Competition?

Answer

The Commission has learned that some of the costs involved in supplying Algerian natural gas are to be borne by the French and Italian Governments. As, however, it has not been informed of these measures by the governments concerned it is unable to comment on the nature of the measures, in particular in relation to the Treaty's rules on competition. The authorities in the two Member States are being contacted with a view to obtaining the information necessary for consideration of this matter.

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Question No 43, by Mr Aigner (H-478/82)

Subject: Namibia

Does the Commission think it appropriate that, in addition to money from the UN and from individual Member States, funds should be flowing into trouble spots such as Namibia from the EEC, when it is apparently quite possible that this money may be reaching revolutionary and terrorist organizations such as SWAPO?

Answer

The attention of the honourable Member is drawn to the fact that South Africa is in continued occupation of Namibia, and that Community aid cannot be given directly to Namibia. The Community's humanitarian assistance to Namibian refugees in other African countries (including Lomé Convention members) and in EEC Member States is provided through international agencies and European non-governmental organizations. As has been stated in recent replies to written and oral parliamentary questions, none of the Community's humanitarian aid for Namibian refugees goes to SWAPO.

In providing this assistance the Community is in effect responding to parliamentary proposals, notably to specific recommendations contained in paragraphs 19 and 22 of the resolution on the situation in Southern Africa adopted on 4 February 1982 by the Joint Committee of the ACP-EEC Consultative Assembly, and by the Consultative Assembly on 4 November 1982.

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Question No 44, by Mr Marshall (H-483/82)

Subject: French taxation on alcohol

The French Government has recently increased the tax on spirits but not on wine. What action is the Commission taking to deal with this blatant distortion?

Answer

It is assumed that the honourable Member's question refers to the decision of the French Government to introduce new stamps for spirits.

The Commission first learned of the proposed new measure through press reports. My services immediately telexed France's Permanent Representative requesting a copy of the text of the proposed new measure, while reserving the Commission's position as to its conformity with the Treaty's taxation provisions.

A copy of that text has now been received and the Commission has concluded that the new tax stamp for spirits does not infringe the provisions of the Treaty, since it does not appear to discriminate as between French spirits and spirits produced in other Member States.

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Question No 46, by Mr Møller (H-494/82)

Subject: Swedish devaluation and the trade agreement with the Community

Does the Commission agree that the devaluation of the Swedish crown by 16% conflicts with the trade agreement between Sweden and the Community and, if so, what steps does the Commission intend to take?

Answer

Formally, Sweden has no obligations arising out of the Free Trade Agreement as regards its monetary and exchange rate policy. In contrast to the EEC Treaty the Free Trade Agreement does not stipulate any objectives or procedures for the coordination of exchange rate policy. The Free Trade Agreement confines itself to the liberalization of trade in industrial products under the terms of the GATT rules on free trade areas in conjunction with the maintenance of fair conditions of competition.

These conditions concern the areas mentioned in Article 23 of the Free Trade Agreement (agreements between undertakings which restrict or distort competition, the abuse of a dominant position, public aids which distort competition). In view of the limited objective of the Agreement, the conditions cannot be extended to monetary policy and its effects on competition.

The measures provided for in the Free Trade Agreement with a view to protecting the balance of payments concern commercial measures only; they do not cover monetary measures.

Although the devaluation does not infringe the letter of the Agreement it would seem nevertheless to contravene its spirit, because the declared goal of the undoubtedly aggressive devaluation is to capture market shares at the expense of commercial partners. The Commission has made this quite clear to the Swedish Government at political level.

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¹ *Question No 47, by Mr O'Donnell (H-496/82)*

Subject: Flour supplies in Ireland

Is the Commission aware of the grave crisis facing the Irish flour milling industry, with the likely prospects of there being no flour milling industry in Ireland in the near future? In view of the serious consequences which this could have for the security of bread supplies in Ireland, will the Commission cooperate with the Irish authorities in formulating an appropriate strategy which would maintain employment in the industry and safeguard the vital bread supply?

Answer

The Commission should like to note that this is the first time that its services have been informed of a crisis as described in the honourable Member's question.

The honourable Member will be aware that there are regular meetings, such as the weekly cereals management committee, at which the Member State concerned is represented, and contacts with relevant professional interests, and yet these difficulties have never been brought to the attention of the Commission before.

Following the receipt of the honourable Member's question, the services of the Commission have begun inquiries to establish the background to this problem.

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Question No 48, by Mr Bonaccini (H-497/82)

Subject: Imports of frozen beef

Whereas, as a result of the questionable application of Regulation (EEC) No 1136/79 of 8 June 79, frozen boned beef for industrial processing into dried salt beef is excluded from the concession provided for by the special import arrangements; whereas this production is carried on mainly in a predominantly mountainous region (Valtellina) — a region with very few resources that has specialized in high-quality production of this product for centuries — where it provides a living for a large number of small and medium-sized undertakings that employ about 10% of the province's workforce;

whereas frozen beef imports, which in turn are reexported, do not exceed 5-6 000 tonnes per year;

whereas the application of the measure in question clearly benefits Swiss competition in the same product and exacerbates Italy's already severe trade balance problems;

can the Commission state what measures it intends to take to alter this situation?

Answer

To provide reasonable competition between preserves manufactured in the Community and those imported from third countries with a customs duty of 26%, the special balance sheet arrangements for the import of frozen beef at 0 or reduced levy were introduced. The customs duty on preserves of 26% is bound in GATT rules.

The product 'bresaola' is not considered as a preserve; when it is imported into the Community it is subject to a customs duty of 24% and a variable levy. Since 'bresaola' is subject to normal import charges, the Commission sees no reason to provide special conditions for the import of raw material for its manufacture. Consequently no change in the existing rules is foreseen.

Further, manufacturers can get supplies through the GATT or high quality beef quotas, both of which may be imported levy free.

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Question No 49, by Mr Papaefstratiou (H-498/82)

Subject: Appointment of officials of Greek nationality pursuant to Article 1 of Regulation (EEC) No 662/82 of 22 March 1982.¹

Can the Commission state what it intends to do to fill, pursuant to the above regulation, the as yet unfilled posts of Greek officials as provided for in the Commission's establish-

¹ OJ L 78 of 24 March 1982.

ment chart within the framework of the 1982 budget? Should these posts not be filled before 31 December 1982, have steps been taken to ensure that the number of posts provided for in that chart remain the same for the following year so that these posts can be subsequently filled within the context of the 1983 budget?

Answer

The Commission wishes the recruitment of Greek nationals into its departments to be achieved as rapidly and effectively as possible. Hence, even before the entry into force of Regulation 662/82 it had organized competitions reserved for Greek nationals. Since the entry into force of the said regulation the Commission has also organized 10 competitions for all career brackets where reserved posts are still available. These competitions have been completed apart from those for career brackets B3/B2 and C3/C2, which, will be completed in the very near future. The competitions have resulted in the recruitment of 250 Greek nationals, who have already taken up their posts. The competitions which have been completed very recently or which are just about to be completed should enable the remaining posts reserved for Greek nationals to be filled by the end of the year.

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Question No 50, by Mr Megahy (H-500/82)

Subject: Expulsion of Member States

What provisions exist to expel from the EEC any member country which is deliberately flouting treaty rules?

Answer

The situation described by the honourable Member seems rather hypothetical. The treaties do not in fact contain any provisions for the expulsion of a Member State which constantly acts in violation of the rules of these treaties. They simply provide for a procedure to establish whether such an infringement has taken place and this procedure has proved fully satisfactory, apart from a few exceptional cases.

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Question No 52, by Mr Pattison (H-513/82)

Subject: Crisis in tanning industry in Ireland

Is the Commission aware of the present crisis in the tanning industry in Ireland, arising from the dumping of various forms of unfinished leather from outside the EEC on the Community market, especially in the U.K., Ireland's main leather market, and of the consequent job losses in the industry; what measures are at its disposal to prevent this dumping and protect employment, and will it implement these forthwith?

Answer

The Commission is aware of the problems of the Irish tanning industry which are of long standing, although aggravated by current difficulties.

It is true that the principal outlet for their products is the United Kingdom, particularly for leather for men's footwear, a market which is now being affected by a number of negative factors. There is a decline in the internal demand for medium priced men's foot-

wear in the United Kingdom due to the present overall economic conditions. External demand has also been reduced by protectionist action in the footwear sector taken by some of our trading partners.

Finally, there is increased import pressure of leather footwear, parts of footwear finished and unfinished leather on the United Kingdom market.

The Commission, in accordance with the resolution of Parliament¹, is pursuing a policy of obtaining improved access to export markets. Where imports of either leather or footwear have been carried out under conditions which have led to a distortion of competition, the Commission, on the basis of complaints, has initiated the appropriate proceedings. These cases, one on leather from Brazil in 1979² and the other on women's footwear from Brazil in 1981,³ led to corrective action by the Brazilian government. Should further evidence be presented which demonstrate that further distortions are occurring, the Commission will not hesitate to initiate the appropriate action.

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Question No 53, by Mr Collins (H-515/82)

Subject: Prepackaged liquids

Can the Commission say what provisions they have made for monitoring the implementation of the Directive 79/1005/EEC⁴ amending 75/106/EEC⁵ on the approximation of the laws of the Member States relating to the making-up by volume of certain prepackaged liquids and can they say what action has been taken to implement the said Directive in the Member States?

Answer

As with most directives, the monitoring of the implementation of Directive 79/1005/EEC amending Directive 75/106/EEC on the making-up by volume of certain prepackaged liquids concentrates on the technical obstacles to trade. Since the adoption of the directive, the Commission has reminded the Member States in writing of their obligations on two separate occasions. Subsequently proceedings had to be instituted pursuant to Article 169 against several Member States which had not fulfilled their obligations. As far as the Commission is informed, all Member States with the exception of Greece have taken the necessary measures to implement the Directive in national law.

The Commission would be only too willing to supply the honourable Member with references to the relevant national legislation.

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Question No 54, by Mr Fergusson (H-516/82)

Subject: Milk consumption

Recognizing that the per capita milk consumption of Ireland is 280 litres per annum, of the United Kingdom is 139 litres, and of Denmark is 128 litres, and that the comparable consumption in Italy is 77 litres and in France 71 litres, what would the effect be on the

¹ Resolution on the situation of the footwear industry in Europe (9 March 1982).

² OJ C 152 of 19 June 1979.

³ OJ L 327 of 14 November 1981.

⁴ OJ L 308 of 4 December 1979, p. 25.

⁵ OJ L 42 of 15 February 1975, p. 1.

surpluses in the Community's dairy sector if French and Italian milk consumption were raised to the average level of Denmark and the British Isles?

Answer

Following the information of the Commission, the average per capita consumption of liquid milk and other fresh products (cream not included) in 1980 amounts to 188 kg in Ireland, 136 kg in the United Kingdom, 157 kg in Denmark, 80 kg in Italy and 91 kg in France. The average consumption for the Community is calculated at 102 kg.

If the French and Italian liquid milk consumption were raised to the average level of that of Denmark, the United Kingdom and Ireland, this would result in a supplementary sale of 6.1 million tons of milk.

However, this exercise is rather hypothetical; consumption habits between those two groups of Member States are very different. In France and Italy e.g. cheese consumption is substantially higher than in the United Kingdom, Ireland and Denmark.

Total human consumption of dairy products, converted into kg milk fats and kg milk proteins, reveals less differences between Member States than the consumption of individual products.

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Question No 55, by Mr Kazazis (H-517/82)

Subject: Failure to recruit Greek officials who passed a Commission competition

In 1981 the Commission announced competition (COM/A/337) for Greek-speaking officials. This competition provided among other things specifically for an A4-A5 post to meet the needs of the Directorate-General for Regional Policy. In view of the fact that there are successful candidates on the list drawn up by the Commission and that Greece attaches special importance to the A4-A5 post in the Directorate-General for Regional Policy being filled, why has the Commission so far failed to recruit a grade A4-A5 official for this Directorate-General and could the Commission confirm that a Greek grade A4-A5 official will be recruited before the end of 1982 (when the validity of the list of successful candidates is due to expire)?

Answer

It is true that the competition COM/A/337 organized in 1981 provided, among other things, for an A4/A5 post in the Directorate-General for Regional Policy. For organizational reasons the Commission has since decided to assign a grade A/3 post to the Directorate-General for Regional Policy and to assign the A4/5 post in question to another Directorate-General. The post of Head of Division in the Directorate-General for Regional Policy was recently filled by a Greek national.

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Question No 56, by Mr Clinton H-521/82)

Subject: Low use of barley in compound feedingstuffs

The Commission is obviously aware that the use of barley and other European grains in compound feeds has declined; however, is the Commission aware that this phenomenon is exaggerated in Member States with positive MCAs and that this is coupled with increased

use of manioc and maize gluten resulting in greater quantities of barley (and other European grains) being sold into intervention in these Member States? When does the Commission intend to bring this expensive situation to an end?

Answer

The Commission is not aware that the use of barley and other European grains in compound feed has declined and that this is a phenomenon which is exaggerated in Member States with positive MCAs.

As a matter of fact the quantity of cereals used in compound feed has since 1975 increased from around 26 mio tonnes to around 29 mio tonnes in 1981. In the same period the production of compound feed went up from 58 tonnes to around 80 mio tonnes, thus the percentage of cereals in compound feed fell from 45% in 1975 to 36% in 1981. The use of imported cereal substitutes in compound feed went up from 5 mio tonnes in 1975 to 14.5 mio tonnes in 1981 which represented respectively 9% and 18% of the compound. This is a development which in general has taken place in all the Member States.

The Commission is well aware of the problems resulting from the import of cereal substitutes and manioc. A quota system has been introduced in 1982 in order to freeze the import at around its present level. At present and in accordance with Article 22 of the GATT rules the Commission has made contact with the United States in order to find a satisfactory solution for the import of maize gluten feed.

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II. Questions to the Council

Question No 60, by Mr Davern (H-413/82)

Subject: CAP and the Danish presidency

Can the President of the Council indicate the plans that the Danish Government wishes to see put forward during its presidency for the CAP?

Answer

As the presidency explained at meetings with the Committee on Agriculture on 8 July 1982 and 17 November 1982, the Council's work will concentrate on the solution of problems connected with adapting Community legislation on products from the Mediterranean area, notably fruit, vegetables and olive oil.

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Question No 64, by Mr Radoux (H-292/82)

Subject: Norwegian accession to the EEC

In view of the benefits derived by Denmark from its membership of the European Communities, does the Council not feel that talks should be reopened with Norway since, with the passage of time, this country may take a different view of the value to it and Scandinavia of membership of the EEC?

Answer

The Council considers that it is for Norway to assess whether it is desirable that it should take an initiative with a view to its accession to the Community.

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Question No 70, by Mr Johnson (H-471-82)

Subject: Importation of seal products into the Community

Can the President-in-Office of the Council confirm, bearing in mind his statement to Parliament of 15 September 1982, that the Environment Council, which will take place on 2 and 3 December 1982, will have on its agenda for adoption the Council Regulation concerning the importation of seal products into the Community?

Answer

The Presidency intends to include on the agenda of the next Environment Council, scheduled for 3 December 1982, the proposal for a Council Regulation on common rules prohibiting the import of skins of certain seal pups and products derived therefrom into the Community.

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Question No 71, by Mrs Schleicher (H-460/82)

Subject: Council directive relating to the approximation of the laws of the Member States concerning advertising claims in the labelling and packaging of foodstuffs intended for ultimate consumers and in the advertising of these foodstuffs

The proposal for a Council directive relating to the approximation of the laws and administrative provisions of the Member States concerning misleading and unfair advertising was submitted to the Council in amended form by the Commission on 10 July 1979 following the European Parliament's opinion of 8 May 1979.

What is the present state of deliberations, what significant alterations have been made in the meantime to the proposal for a directive, when is the Council expected finally to adopt this proposal for a directive and what are the reasons for the delay? Does the Council consider it appropriate to harmonize detailed laws on advertising claims in the Community before the basic directive on advertising has been adopted?

Answer

The Council is still in the process of examining the proposal for a Directive relating to the approximation of the laws of the Member States on misleading and unfair advertising, forwarded to the Council in amended form on 10 July 1979.

During the examination, difficulties concerning certain essential elements of the proposal have emerged. These include the question of the Directive's scope in conjunction with the definition of 'unfair advertising', the question of whether or not to protect an advertiser's 'competitors' in the same way as consumers, and the question of the extent of the obligation of the Member States which, according to Article 5, should adopt adequate and effective legal provisions against misleading and unfair advertising; such obligations would be primarily procedural in nature.

Because of these difficulties, the Council bodies have not so far made any major amendments to the proposal.

For the same reasons, the Council, while it will continue its work with all due diligence, is unable to say when it will be able to adopt the Directive in question.

The Council, to whom the above-mentioned proposal for a Directive on claims made in labelling has been submitted, believes that approval of this Directive should not be conditional on the approval of the Directive on misleading and unfair advertising, because the two proposals differ as regards area of application and objectives and because the latter proposal constitutes neither a framework nor a basis for the former.

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Question No 74, by Mr Adam (H-475/82)

Subject: Tobacco Taxation

What steps is the Council taking to ensure that in all Member States the specific element of tobacco taxation, as a percentage of total taxation, is not less than 5%, and can the Council give an estimate of the date at which this minimum figure is expected to be reached?

Answer

The Council has already taken the measures in its power to ensure that the situation referred to by the honourable Member comes about. In 1977 the Council adopted Directive 77/805/EEC laying down special provisions applicable during the second stage of harmonization of taxes, other than turnover taxes, which affect the consumption of manufactured tobacco. Under the terms of that Directive, as from 1 July 1978 the specific component of the excise duty may not be less than 5% of the amount of the total tax burden borne by manufactured tobacco.

Regarding the question of whether this Directive is actually being implemented by the Member States, I would point out that it is for the Commission rather than the Council to ensure that the provisions of the Treaty and measures based thereon are applied.

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Question No 77, by Mr Pöttering (H-489/82)

Subject: Double taxation of employed persons — cars

The freedom of movement of persons resident within the Community is hindered by the current taxation provisions applying to the temporary import of certain types of vehicle for private and commercial use.

The removal of these obstacles is particularly important for the realization of the common market.

In 1975, therefore, the Commission submitted to the Council a proposal for a Council Directive on tax exemptions within the Community on the temporary import of certain types of vehicle. The Council has not yet taken a decision on this, the European Parliament having delivered its opinion in 1976.

Is the Council aware that its lack of action has chiefly affected frontier workers, whose vehicles are either subject to double value-added tax or to a virtual ban on importation into the neighbouring Community country?

Question No 78, by Mr von Wogau (H-490/82)

Subject: Double taxation of employed persons — cars

The freedom of movement of persons resident within the Community is hindered by the current taxation provisions applying to the temporary import of certain types of vehicle for private and commercial use.

The removal of these obstacles is particularly important for the realization of the common market.

In 1975, therefore, the Commission submitted to the Council a proposal for a Council Directive on tax exemptions within the Community on the temporary import of certain types of vehicle. The Council has not yet taken a decision on this, the European Parliament having delivered its opinion in 1976.

What is preventing the Council from adopting this proposal for a directive on the basis of Document 6761/80 of 30 April 1980.

Question No 79, by Mr Wedekind (H-491/82)

Subject: Double taxation of employed persons — cars

The freedom of movement of persons resident within the Community is hindered by the current taxation provisions applying to the temporary import of certain types of vehicle for private and commercial use.

The removal of these obstacles is particularly important for the realization of the common market.

In 1975, therefore, the Commission submitted to the Council a proposal for a Council Directive on tax exemptions within the Community on the temporary import of certain types of vehicle. The Council has not yet taken a decision on this, the European Parliament having delivered its opinion in 1976.

What caused the failure of the efforts of the Committee of Permanent Representatives to produce a final version in the first half of 1982?

Joint answer

With the permission of the questioners, a joint answer will be given to oral questions Nos H-489/82, by Mr Pöttering, H-490/82, by Mr von Wogau, and H-491/82, by Mr Wedekind.

The Council is fully aware of the problems faced by frontier workers and others because of the fact that the Member States' tax laws on the temporary importation of motor vehicles are not harmonized.

In spite of several attempts to arrive at a compromise solution, the Council has so far been unable to reach agreement on the Commission proposal on tax exemptions for certain means of transport temporarily imported. Several problems are still unresolved at this stage, and two of them constitute major stumbling blocks. The first concerns the definition of normal residence, a definition which is essential in order to determine the place of taxation. The second problem concerns the tax conditions which private means of transport must satisfy in order to be granted tax exemption when temporarily imported.

Work is being actively pursued at the Council in the hope of finding a solution to these problems.

Question No 82, by Mr Megahy (H-501/82)

Subject: Open meetings of the Council

What plans have the Council of Ministers for opening their meetings to the press and the public?

Answer

Under Article 3 (1) of the Council's Rules of Procedure its meetings shall not be public unless the Council unanimously decides otherwise.

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Question No 83, by Mrs Gaiotti de Biase (H-502/82)

Subject: Food aid to Poland — humanitarian solidarity

What decision has the Council taken about sending to Poland, within the context of food aid, feeding stuffs for use as animal feed by small independent farmers and does the Council not consider that the worsening political situation in Poland requires that the Community show greater humanitarian solidarity for what flicker of liberty still remains in Polish society as represented by the small independent farmers?

Answer

The Council is aware of the concern recently expressed by certain representatives of the Polish churches, and echoed in the honourable Member's question, in connection with the granting of direct aid to small-scale farmers in Poland. However, it must be said that action of this kind would clearly be outside the scope of the decisions taken to date by the Council with which the honourable Member will be acquainted. It would, in fact, entail considerable financial problems. No such reorientation of Community aid is envisaged for the moment; nor has the Commission submitted any proposals to that effect.

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Question No 86, by Mr Treacy (H-512/82)

Subject: Crisis in the tanning industry in Ireland

Is the Council aware of the present crisis in the tanning industry in Ireland arising from the dumping of various forms of unfinished leather outside the EEC on the Community market — especially the UK, Ireland's main leather market, and of the consequent job losses in the industry, and will it state what measures it considers can be taken to prevent this dumping and call on the Commission to institute the necessary anti-dumping measures forthwith?

Answer

The problems in the tanning industry to which the honourable Member refers have not yet been put before the Council. Under the Community rules on protection against dumping, any Community producer who considers himself affected may submit a written complaint to the Commission; if the complaint is sent to a Member State, that State will forward it to the Commission. The Commission then opens an enquiry and decides whether there are grounds for introducing provisional anti-dumping duties.

The Council becomes involved only at a later stage of the procedure, principally when the question arises of extending a provisional anti-dumping duty or introducing a definitive anti-dumping duty.

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Question No 87, by Mr Lomas (H-514/82)

Subject: Community Trade Mark Office

During Question Time, at the October part-session of the European Parliament, the Council replied to a question from Mrs Ewing (No 64)¹ on the siting of a European Trade Mark Office and said that four candidatures had been formally presented to the Council by the respective Governments: London, Strasbourg, The Hague, Brussels, but that at present there had been no decision or deliberation on them.

In the September issue of European Parliament EP News, it was stated that 'it has been agreed to site the new Community Trade Mark Office in the United Kingdom, the only problem is deciding which site is most suitable'.

Could the Council tell me which statement is accurate and which is untrue?

Answer

The Council confirms the statement made on 13 October 1982 in reply to the question by Mrs Ewing (H-279/82) on the siting of a European Trade Mark Office, and informs Mr Lomas that no new elements have occurred since then.

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III. *Questions to the Foreign Ministers*

Question No 90, by Mr Israël (H-463/82)

Subject: Situation in Afghanistan

Have the Foreign Ministers recently held specific discussions on the situation in Afghanistan? Has the resolution on this subject adopted by Parliament in June 1982 succeeded in persuading the Foreign Ministers to open such discussion and to study in particular the proposals contained in that resolution, i.e. recognition of the Afghan resistance as a legitimate national liberation movement, a review of the level of diplomatic representation of the Kabul Government in the Community Member States and other proposed measures?

Answer

The situation in Afghanistan continues to be a source of serious concern on the part of the Ten and has regularly been discussed in the context of European political cooperation both before and after Parliament adopted its resolution in June 1982. The most recent expression by the Ten of their well known approach to this question was made in the joint contribution at the opening of the United Nations 37th General Assembly at which they urged the Assembly to consider the proposal of 30 June 1981 by the European Council for a political settlement of the conflict. At its meeting on 29 and 30 March 1982 the European Council also voiced its disapproval of the Soviet Union's negative attitude to and

¹ Verbatim report of proceedings on 13 October 1982, p. 203.

repeated rejection of proposals by the non-aligned countries, the Islamic Conference, the United Nations General Assembly and the Ten for a political solution.

The Ten are interested to note the efforts being made by the General Secretary and his personal representative with a view to arriving at a political solution. Any solution should involve all parties concerned. A solution should be based on the principles laid down in the UN resolutions which were adopted with an overwhelming majority at the General Assembly, and should include the withdrawal of foreign troops.

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Question No 91, by Mr Møller (H-465/82)

Subject: Mutual recognition of valid legal decisions

Will the Foreign Ministers take steps to ensure the mutual recognition of valid legal decisions adopted by impartial judicial bodies in individual Member States, and thus assist in bringing about, *inter alia*, the automatic extradition of accused persons, with a view to securing mutual respect for the legal traditions of individual countries?

Answer

While the Ten acknowledge the important and extensive cooperation taking place within, for example, the Council of Europe in the field of criminal law, they have also on several occasions and in various forums discussed proposals for more extensive cooperation in this field. Recently, at their meeting on 25 October 1982, the Ministers of Justice of the Ten discussed new proposals regarding extradition between Member States.

As the honourable Member himself mentions in his question, arrangements of this kind must, among other things, take account of the basic legal principles and traditions prevailing in the various countries — not only in the state requiring extradition, but also in the state from which the person is to extradited. Cooperation in the field of extradition thus affects essential aspects of the legal system in the various Member States and I cannot at this stage predict what the outcome of the discussions will be.

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Question No 92, by Mme Dury (H-473/82)

Subject: The future of Hong Kong

In view of the excellent relations which China maintains with the European Community, do the Foreign Ministers not think that they could negotiate the renewal of the lease of Hong Kong with the People's Republic by offering to place the territory under the jurisdiction of the European Economic Community, while recognizing of course China's sovereignty over this part of its territory?

Answer

The Ten do not discuss the relations between the Member States and their dependencies and have therefore not discussed the question of the future of Hong Kong.

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Question No 95, by Mr Habsburg (H-480/82)

Subject: National minorities

All reports indicate a steady worsening in the situation of national minorities — such as Germans and Hungarians — as a result of the policies of the Ceausescu Government. Would the Foreign Ministers meeting in Political Cooperation be prepared to use their influence to secure better treatment for these minorities, including the right to emigrate to the country of their choice?

Answer

The Foreign Ministers of the Ten meeting in Political Cooperation have not discussed this specific question.

At the CSCE follow-up meeting in Madrid, the Ten called for the complete implementation of all the provisions contained in the Final Act, including those relating to national minorities, and they will continue to do so at the meeting which has now been resumed.

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Question No 96, by Mr Konrad Schön (H-477/82)

Subject: Yugoslav restrictions on freedom of movement

The Yugoslav Government has imposed a heavy, progressive tax on its citizens' journeys abroad.

Do the Foreign Ministers share the view that this is an infringement of the Helsinki Final Act and are they prepared to make appropriate representations in Belgrade on this matter?

Answer

The Yugoslav Government has not introduced a tax on journeys abroad, but a deposit which is refunded after a year has elapsed. The deposit is 5 000 dinars (corresponding to approximately 85 ECU) for the first journey abroad in a particular calendar year, 7 000 dinars for the second, 9 000 dinars for the third and so on.

The provisions form part of the Yugoslav Government's economic stabilization programme and are aimed at cutting down the number of short shopping trips abroad. Migrant workers and persons visiting their families etc., are exempt from the deposit.

I should perhaps remind you in this connection that the citizens of Yugoslavia are free to travel abroad without official constraints such as the need for an exit visa. Thus, the current provisions governing travel abroad can hardly be seriously described as contrary to the Helsinki Final Act.

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Question No 97, by Mr d'Ormesson (H-493/82)

Subject: Zimbabwe

In view of the information from Zimbabwe indicating the growing insecurity of the white population and certain black racial groups, do the Ministers intend to bear this in mind with regard to the relations they maintain with Harare?

Answer

The Ministers of the Ten meeting in Political Cooperation have not attempted to work out a common position on the latest developments in Zimbabwe.

However, they attach importance to the development of national reconciliation in Zimbabwe and contributes through their bilateral relations with Zimbabwe and within the context of the Lomé Convention to the economic and social development of the country.

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SITTING OF THURSDAY, 18 NOVEMBER 1982

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IN THE CHAIR: MR ESTGEN

Vice-President

(The sitting was opened at 10 a.m.)

1. *Approval of minutes*

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

Are there any comments?

I call Mr Israël.

Mr Israël. — (FR) Mr President, on page 7 of the Minutes, under the item dealing with the objections to the list of topics for the topical and urgent debate, there is the rejection of a motion which has been badly worded. I am referring to the motion on fisheries which was supposed to have been tabled by the Socialist Group, which it was, and by the European Democratic Group, which is wrong.

I have no doubts about the rejection of the motion. I do not for a moment think that it was rejected because

some people thought it had come from the European Democratic Group. The fact of the matter is that it was tabled by the Group of European Progressive Democrats.

As I am claiming a defeat, Mr President, I trust it may be attributed to the right quarter.

(Laughter)

President. — We take note of the fact, Mr Israël.

I call Mr Martin.

Mr Martin. — (FR) Mr President, my name is not listed among those who took part in the electronic vote on the Sutra report yesterday. I would like to point out, Mr President, that in common with all the French Members of the Communist and Allies Group I voted against this report which favours enlargement. I would therefore ask you, Mr President, to see that my name is listed in the official documents among those who voted against the report.

President. — Your comments are noted, Mr Martin.

I call Mr Sherlock.

Mr Sherlock. — Mr President, I do not think the Minutes contain precisely every component of what was implied in at least two of the items listed for urgent decision without debate. However, I believe that you have already been warned of certain fears, particularly about two of the items to be taken without debate, especially my item on whaling. I understand that you are to make a statement on when the vote on these could be taken in order to resolve the dilemma arising from incorrect reporting yesterday.

President. — I can assure you, Mr Sherlock, that it will be put to the vote, without debate, before the end.

(Parliament approved the Minutes)

2. Agenda

President. — Before we start today's debates, I should like to draw your attention to an error that has crept into the agenda that has been distributed. In accordance with the Minutes which we have just approved, the Habsburg motion for a resolution should come as the third item, and not as the fifth as it is on the agenda.

I call Mr Patterson.

Mr Patterson. — Mr President, the agenda says that the statement by Mr Dalsager on sales of butter to Russia is to be without debate, but Rule 40 does allow for one half-hour period of questions to the Commissioner. I was wondering if it was the intention of the Presidency to take questions for 30 minutes following the statement by Mr Dalsager.

President. — You are quite right, Mr Patterson. There is provision in the Rules of Procedure for a debate but the House decided otherwise.

I call Mr Albers.

Mr Albers. — *(NL)* I grant that the matter is without debate, Mr President, but there is an annoying misprint in the Dutch version of Doc. 1-853/82. Under recital H there is a reference to an opinion of the *Bondsdaag*. This should be *Bondsraad* in Dutch, and in the original English version it is in fact *Bundesrat*.

3. Topical and urgent debates¹

President. — The next item is the topical and urgent debate.

Situation in Argentina and Uruguay

President. — We begin with the joint debate on three motions for resolutions on Argentina and Uruguay:

- motion for a resolution (Doc. 1-863/82), tabled by Mr Segré and others on behalf of the Communist and Allies Group, on the *desaparecidos* (disappeared persons) in Argentina;
- motion for a resolution (Doc. 1-868/82), tabled by Mr Pedini and others on behalf of the Group of the European People's Party (CD Group), on events in Argentina;
- motion for a resolution (Doc. 1-898/82/rev.) by Mr Lezzi and others on the situation in Uruguay.

I call Mrs Squarcialupi.

Mrs Squarcialupi. — *(IT)* Mr President, the Communist Group's motion on the *desaparecidos* in Argentina has been tabled to express the shock and outrage with which the news of the discovery of hundreds of unidentified corpses in some cemeteries in Argentina was received.

These poor remains are all that is left of the opponents of a tyrannical military regime, or presumed opponents or even, in the case of the children, of those whose only crime was to be the son or daughter of presumed or genuine opponents of the regime.

The bodies which have been found only run to hundreds, but the people who have disappeared run to thousands, certainly more than 20 000. In recent years these *desaparecidos* have been mentioned in this House, but not in any great detail and with the lack of incisiveness which has also characterized the various diplomatic steps which have been taken. For years it has, above all, been the mothers of the *desaparecidos* who have aroused the interest of the international community by going each day to the Plaza de Maio to ask that the mystery surrounding the disappearance of their family be removed. We wish to answer the cries of these mothers and to reveal to the whole world one of the most brutal political crimes of our times — mass murder.

Our reaction is even stronger since, amongst the *desaparecidos*, there are almost 400 Community citizens, mostly Italians. The disappearance of 321 Italians, 48 Germans, 15 French citizens and 41 future Community citizens, i.e. Spaniards, has been reported. All these people went to Argentina not to carry out 'subversive activities' but to work. They are all people linked to their native country by a passport and a name, but often they are really Argentinian citizens, and have the emotions, ideas and involvement in political and social life of Argentinians, and this is what has cost them their lives.

¹ Eurocontrol (without debate): see Annex.

Squarcialupi

We should therefore mourn the dead — men, women and children who were shot in cold blood and found dead. We should of course feel outrage too, but we must also act. Our motion's message to colleagues in the European Parliament is that they should act in response to the manifest and systematic violation of basic human rights which has been taking place in Argentina since 1976.

We would ask the countries of the European Community to show their political strength and unity by asking the United Nations to institute an inquiry to find out who is responsible for the extermination of political opponents of the regime and their families.

I would point out that the compromise text was accorded majority approval, which further reinforces Parliament's position.

We would also be in favour of a parliamentary delegation being formed under Rule 49 as soon as possible to investigate these crimes. This would also ensure that not all the Argentine people, many of whom have suffered greatly because of crimes perpetrated by the military junta, should be blamed.

(Applause)

President. — I call Mr Pedini.

Mr Pedini. — *(IT)* Mr President, ladies and gentlemen, the historic ties between Italy and Argentina and Europe and Latin America make us particularly sensitive to the dramatic events surrounding the disappearance of people from these countries.

Our faithfulness to the fundamental principles behind human rights intensifies our protest. *Time* magazine has just published a dramatic map indicating the presumed number of people who have disappeared in the various countries of Latin America. Is this the price which Latin America must pay for its return to democracy and the observance of the principles of freedom?

The particular gravity of the events which have taken place in Argentina has led my group to submit a motion which draws attention to these barbarous events and the associated denial by the dictatorship of fundamental human rights.

In this House we wish to express our support for the victims and turn to the Council of Ministers with the request that both the Community national governments and the Council itself should all make an individual direct protest in all quarters and should involve the United Nations in this dramatic problem, thus putting as much pressure as possible on the Argentine authorities for them to release those who are still imprisoned and to reveal the names of those who are unfortunate enough to be on the list of victims.

We are applying to the Commission so that our support can take the form of concrete assistance for the families which, as we have stated, are mostly of European origin and come from our own Member States. I share the belief that a delegation from the European Parliament should be provided for the appropriate investigations and, above all, to encourage assistance work. The European Parliament delegation for relations with the Latin American Parliament assumes responsibility for the problem of the protection of human rights on the Latin American continent and will certainly make it one of the fundamental issues in the discussion which will take place at the Conference planned for 1983.

Under these unfortunate circumstances we wish to reaffirm our support for Latin America. This is a gesture in defence of the democracy in which all of us in this House wish to participate. This is the reason why we, who drafted this motion, are supporting a single document, so as to give better emphasis to our statement and better expression to our hopes that there will once more be a democracy in Latin America. Evidence that democracy may return is apparent if, for example, we examine the recent comforting results of the elections in Brazil and other current events.

Let us use the whole range of international law and conventions for the effective action expected of us by the public in our own countries!

President. — I call Mr Lezzi.

Mr Lezzi. — *(IT)* Mr President, in accordance with its programme, the military junta in Uruguay has announced national elections for 28 November. Only parties with which it sympathizes are allowed to participate, however, and the genuine forces of democracy and freedom, which profess different political beliefs, have once more been discriminated against.

In November 1980 there was a referendum for approval of the Constitution supported by the military leaders, in which nearly all the people participated and which resulted in a victory for the 'no' and a consequent rejection of the Constitution being voted upon. This time, once again, there will be enormous public participation, and this will transform this farcical election into another plebiscite against the dictatorship.

Over the years, the European Parliament has always followed events in the Uruguayan Republic with great care and attention, and this time it acted very promptly. Thanks to the political alertness of the Presidency of Parliament this House is now able to express its total support for the democratic forces which are fighting in Uruguay for freedom and the restoration of a genuine democracy. It supports the opposition forces which are in hiding and exile and demands the immediate release of those detained for political and trade

Lezzi

union reasons and, in particular, of General Liber Seregni, the leader of the Frente Amplio, who has been condemned to life imprisonment for his political struggle for his ideals.

Since the European Parliament is to deal in a few weeks' time with the problems connected with the Community's relations with Central America, it will then have an opportunity to examine in particular detail the economic aspects of these relations and should make the military junta feel the weight of the condemnation of this Parliament, which was freely elected in the 1979 elections.

President. — I call the Socialist Group.

Mr Macciocchi. — (*IT*) Mr President, on behalf of the Socialist Group, I wish to state that we support this compromise amendment since, as always, we wish there to be the greatest possible majority in this Parliament against all forms of dictatorship, especially the terrible dictatorship in Argentina.

Yet we note with regret that in the agreement reached yesterday, our proposal that a delegation from the European Parliament be sent to Argentina was rejected. This Parliament has always been sensitive to the tragic situation existing in such a major country as Argentina: we received the 'Plaza de Mayo' mothers here in this very House and, in October 1981, our Working Party on Human Rights undertook to send this delegation to Argentina, and we held a few preliminary debates on this problem in the Political Affairs Committee. Only yesterday afternoon, ladies and gentlemen, a delegation of Argentine mothers and opposition leaders came here to request that a delegation be sent.

Why the insistence? Why not speak exclusively in terms of a proposal that the United Nations carry out an inquiry? Because the faith which the Argentine '*desaparecidos*' and their families have in us is faith in the European Parliament, which — in their eyes and also in mine — is the only organization with the moral and political strength to manage to release and give back life to those who are still in concentration camps, in spite of the Argentine regime. As you know, eight people who escaped from the concentration camps have stated that there are still hundreds of men, women and children imprisoned in these camps.

I therefore beg you, on my own behalf and on behalf of my colleagues, to agree to sign a motion requesting the despatch of the delegation from the European Parliament to Argentina in accordance with Rule 49 of the Rules of Procedure. We must collect 228 Members' signatures without delay, aware that we are making our contribution to help people who have turned, not to the United Nations, but directly to us, the European Parliament, which does not, however, mean

that they would not apply to the United Nations if we fail to give them satisfaction. We must do this in the knowledge that perhaps on this occasion we shall be doing something that could be directly, genuinely and practically useful and will not just be empty words.

President. — I call the Communist and Allies Group.

Mr Denis. — (*FR*) Mr President, the French members of the Communist and Allies Group will vote for the motions on the violations of human rights in Argentina and Uruguay. We have tabled an amendment on Uruguay in support of the great mathematician, José Luis Massera, who has been awarded doctorates *honoris causa* by several French universities and is seriously ill after a lengthy detention during which he has been subjected to violence.

The fates of General Seregni, leader of the 'Frente Amplio' and of Senator Massera are, unfortunately, typical. They have become the symbols of about 1 200 political and trade union detainees in Argentina. To release them would be a just and humane act. Likewise, the tragedy of the disappearance of thousands of Argentinians brought to light recently by the discovery of clandestine cemeteries shocks us deeply. We demand that the Argentinian government release those who have disappeared and who are still alive, that they provide an explanation for their families and public opinion, and that all those responsible should answer for their acts.

President. — I call the Liberal and Democratic Group.

Mr Haagerup. — (*DA*) Some time ago, several members of the Liberal and Democratic Group — Mrs Scrivener and others — tabled a motion for a resolution drawing attention to the disappearance of children in Argentina, a subject which is also referred to in the report we are discussing here this morning.

My Group will wholeheartedly support the compromise amendment tabled on the situation in Argentina, and I feel that this appeal, with the support of the whole House, goes beyond purely humanitarian considerations and has a clear political aim. It is in fact an unambiguous condemnation of what the Argentinian regime has been doing, and I feel that there is some food for thought in the fact that so much pressure is being brought to bear on the British Government to enter into negotiations with a view to handing over territory and its inhabitants to a country under the sway of a regime of the kind described in this motion for a resolution.

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

Mr Israël. — (*FR*) Mr President, the group of which I have the honour of being a member will obviously vote for the motions on Argentina and Uruguay. I will concentrate on the issue of Argentina.

International opinion everywhere has been shocked by the disappearances. Unfortunately, no solution can be found for this problem. Nevertheless, we owe it to history to show that human rights have been flagrantly and systematically violated in Argentina. However, the worst aspect of the issue Mr President, ladies and gentleman, is that we know that internment camps still exist in Argentina, where human beings, people whose identity is known, have been imprisoned without trial, accused of nothing more than expressing democratic opinions which we all share, whatever our political beliefs, in this House.

It is therefore our duty to publicize the true facts on the present situation in Argentina. That is why we are dwelling on this point and why I believe there has been a small oversight in the motions which have been proposed, since the European Parliament has not been requested to conduct its own enquiry. Personally, I would be very much in favour of such a move.

President. — I call the Commission.

Mr Haferkamp, Vice-President of the Commission. — (*DE*) Mr President, like those Members who have tabled these motions for a resolution, the Commission condemns the violations of, and crimes against, human rights and democratic freedoms. These proposed resolutions are directed essentially at the Council and the Governments of the Member States, and the Commission has no doubt whatsoever that both the Member States and the Council will react accordingly.

President. — I call Mrs Bonino.

Mrs Bonino. — (*IT*) Thank you, Mr President. I thought that I was down to speak, but I realize that there must have been a misunderstanding.

I only wanted to make a brief point. We have all suddenly become very vociferous — albeit rather belatedly — in our condemnation of the Argentine Government for its violation of human rights, when in fact we have all known all about it for some time.

I only regret that this House does not have enough courage to condemn the fact, nor will the national governments of the European Communities, which although they have known of these violations for a long time, took no action until the press became interested in the problem. I have therefore tabled an amendment which I hope will be put to the vote, although it bears no relations to the second amendment I wish to table. I would like my colleagues to

realize that none of our national governments in the European Community, all of which have known all the facts for a long time, has ever taken any action. It is all very well to condemn the Argentine government, but our own governments are also to blame, and it is my opinion that we should make a plain statement concerning our own governments' failure to act.

President. — The debate is closed.

Vote¹

Convention on the Law of the Sea

President. — We shall now consider the motion for a resolution (Doc. 1-869/82), tabled by Mr Habsburg and others on behalf of the Group of the European People's Party (CD Group), on the Convention on the Law of the Sea.

I call the Socialist Group.

Mr Bombard. — (*FR*) Mr President, ladies and gentlemen, the Law of the Sea does indeed pose an urgent problem. There is a legal gap, but I would point out that the Habsburg proposal is dated 12 November and only touches lightly on the topic whereas Document No 1-793/82 drafted by Mr Daniel Vié on behalf of the Legal Affairs Committee is dated 3 November. It was adopted by the Legal Affairs Committee by 12 votes, with 2 abstentions. The report follows the text of the Convention article by article and brings out clearly the points where there is agreement and the points which are controversial. To vote for Mr Habsburg's motion requesting urgent procedure would be to vote with undue haste and with very little reason on a matter of spurious urgency, with the risk of delaying the constructive report of the Legal Affairs Committee, which will have to be examined and discussed at a plenary part-session as soon as possible. We should therefore wait until we are consulted on this report, and since it has to do with the sea, I would recall an amusing sailing instruction for cases of emergency at sea: 'let's not rush, we're in a hurry!'

I would therefore recommend a vote against the spurious motion for urgent procedure and that we prepare for a long debate — for which there is real urgency — in the coming months so as to rectify this serious legal omission represented by the lack of a common international law accepted by all and applied for the use and exploitation, but also the protection and life, of the sea.

President. — I call Mr Habsburg.

¹ See Annex.

Mr Habsburg. — (*DE*) Mr President, I am sorry to have to begin by contradicting my very good friend, Mr Bombard. This has nothing to do with 'undue haste', but is in fact an absolutely fundamental matter of form. The urgent procedure does not concern the essence of the problem, which will of course be discussed when we continue our debate on the important Vié report and the accompanying opinion by Mr Sayn-Wittgenstein in December.

What we are trying to do here is to bridge the critical period whereby, in the wake of the Commission's proposal to append its signature in December, any decisions on our part would effectively be anticipated and would — at least there are grounds for fearing so — exacerbate the current disunity of the Community. Of course, as Mr Bombard rightly said, we shall be discussing the substance — in fact, we shall be doing so next month. In the meantime, though, because it is such an urgent issue, we are aiming only to postpone the signing of the convention so as to try to restore unity to the Community.

It is extremely depressing that the different Member States of the Community have spoken with different voices on this issue, and that the Community should, in such a highly important international forum, have given an impression of disunity, something which will undoubtedly be to the detriment of the Community as a whole.

If we can gain a little time — and that, after all, is the aim of this motion for a resolution — there is a real chance, thanks to the period of reflection which we have now embarked on, of reaching a genuine consensus which will be in the interests of all the Member States. The unfortunate thing is that, as things stand at present in the Community, different countries seem to view their interests differently and that is at the root of the disagreement on this issue.

Mr President, I would therefore appeal for Members to adopt this motion in the spirit in which it was tabled, to enable us to gain the breathing space we need: firstly, to enable a sensible discussion to take place; secondly, to enable the European Parliament to play its full part; and thirdly, to enable the Community to adopt a unified stance at long last.

(*Applause*)

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

Mr Blumenfeld. — (*DE*) Mr President, I would urge the House to adopt Mr Habsburg's motion for a resolution calling on the Commission — and perhaps the Commission would like to state its view on this issue once again — to take steps to ensure that the Community, as such, retains the chance to take part in

future deliberations of the preparatory committee, in view of the inordinately complex situation in which the governments and the Community will be signing the first part of this mammoth convention in Jamaica at the beginning of December. There can be no doubt that such an opportunity will only be retained if the Community appends its signature in Jamaica at this stage. However, we must remind the Commission that major differences exist between the standpoints of the Member States of the European Community.

That is the situation Mr Habsburg has drawn your attention to. What Parliament wants to know now is what the Commission intends to do not only in view of the complex situation, but also given the fact that the Member States hold differing views with regard to both the substance and the modalities of the whole issue. This House takes the view that this matter should be drawn to the attention of the people of Europe and elsewhere by way of a public debate like today's, however brief.

Given the major and complex issues involved in evolving a world economic order, of which the creation of an authority to oversee the sea bed or maritime waters is only a part, we must make full use of the two years available to us before the convention is finally ratified. I am sure there can be no doubts in this House on that score.

We would nevertheless like the Commission to explain once again what repercussions the signing of the convention on 6-10 December will have for the European community.

(*Applause*)

President. — I call Mrs Spaak.

Mrs Spaak. — (*FR*) Mr President, ladies and gentlemen, it may be useful to clarify the issue somewhat after the speeches by Mr Bombard, Mr Blumenfeld and Mr Habsburg, since the topic is rather complicated for those of our colleagues who have not followed this issue.

Mr Bombard indicated that Parliament committees are holding discussions and the next debate will take place at the plenary part-session.

In addition there is the question of the Convention document itself and the fact that the sections on the protection of the environment and the legal security of activities at sea, and Europe's participation in these problems and to some extent its autonomy in making decisions connected with them, have to be signed.

There is unanimous, or almost unanimous, agreement over the general principles of the Law of the Sea mentioned in the Convention. The United States really

Spaak

only disagrees with one section, i.e. the exploitation of the deep sea bed. It should be noted that the United States has developed technologies and is carrying out a programme for prospecting and exploiting the deep sea bed, and is of the opinion that its advance in this field would not be sufficiently protected.

It remains to be seen how generous we can afford to be. A preparatory committee should be set up to implement rules governing the exploitation of the deep sea bed before the Convention comes into force. Participation in the work of this committee will depend on the Convention being signed.

This strikes me as a fundamental point. In questions of the jurisdiction of either the Member States or the Community, we shall only be able to influence the discussion as a Community if we have a Community position. All the Member States, and the Community itself, should therefore sign this Convention. It is only right that Europe should play a major role in this field, given its economic influence and the importance of its ports and merchant fleet.

It is vital that the Law of the Sea should be drawn up in the form of a convention and recognized by all. The interests of the Member States of the Community, particularly with regard to the exploitation of the deep sea bed, cannot be allowed to depend on regulations which have been unilaterally issued by other major powers.

President. — I call Mr Pesmazoglou.

Mr Pesmazoglou. — *(GR)* Mr President, I should like to support what Mr Bombard and Mrs Spaak have just said. The subject of the Law of the Sea is of interest to many peoples of the world. It involves certain principles which will ensure legality and discipline in the exploitation of the sea and the seabed, so that any hasty decision, any hasty resolution, such as the one proposed by Mr Habsburg, would give the impression that the Community has a negative attitude towards a major topic. Mr President, I would recommend a decisive vote against Mr Habsburg's motion, and that we should continue to deal with the whole issue systematically. In this way, the Community will at least be able to contribute towards strengthening all those principles which concern the great majority of the peoples of the world.

President. — I call Mr Vié.

Mr Vié. — *(FR)* Mr President, it is with some reluctance that I take part in this debate for two reasons: firstly, I have great regard for Mr Habsburg, and secondly, I am the author of the report down for debate at the next part-session, and it might therefore be thought that my contribution here is affected by my

personal interest in defending my work, which is not at all the case.

The only reason why I am making a statement here is because I am a member of the Legal Affairs Committee. We talked to Mrs Veil about this problem this morning, and since she is unable to be here at this time, I am to some extent speaking on her behalf.

I would in no way question the opinion of Mr Habsburg himself or of his group as regards the fundamental problem. I would simply like to mention what we might call the ethics of this House.

First of all it is really very incorrect that, after the Chairman of the Legal Affairs Committee, Mrs Veil, had tried to persuade the Bureau to allow this report on the Law of the Sea to be debated at this part-session, her request should have been refused and Parliament should today be discussing urgent procedure, when the debate is programmed for the following part session.

Mrs Veil's request that the report be tabled for the November part-session was obviously made in view of the date planned for the signatures. All this is completely contradictory and it is my opinion that, for Parliament's own good, such procedures should be totally avoided. There is no political contradiction between the motion by Mr Habsburg and his colleagues and my report. My document basically states one thing: there is a fundamental problem, and it is vital that the Community should speak with one voice, that the entire Community should sign the document and that an agreement to do so should be reached. There is therefore no political contradiction between the two documents, but for Parliament's own sake debates should not be cut up piecemeal. I regret having to contradict my Christian Democrat colleagues, but I speak not on my own behalf or on behalf of my group, but as a member of the Legal Affairs Committee. Mr President, pursuant to Article 85 I would request that Parliament refer the matter to committee.

(Applause — Parliament decided to refer the motion to committee)

President. — I call Mr Bocklet.

Mr Bocklet. — *(DE)* Mr President, I wish to ask you which rule in the Rules of Procedure you applied in asking us to vote on referral to committee. The fact is that in an urgent debate there can be no referral to committee. The Committee on the Rules of Procedure and Petitions expressly rejected in such cases referral as under Rule 85.

President. — Mr Bocklet, I applied Rule 85 in referring the Habsburg motion for a resolution back to committee. There has been more than one precedent

President

for this. There has already been a vote on the matter and I fail to see how Rule 85 could have prevented it. Could you please tell us, Mr Bocklet, which rule you are applying?

Mr Bocklet. — (DE) According to the interpretation given by the Committee on the Rules of Procedure and Petitions two months ago, Rule 85 can be applied only to subjects which have already been discussed in committee and does not apply in the case of topical and urgent debates.

I know this so well because I was the last person to table such a motion for referral to committee under Rule 85. The Bureau then decided to pass the matter on to the Committee on the Rules of Procedure and Petitions for a ruling. The committee has since decided that Rule 85 cannot be applied in the usual way in such instances. I therefore ask you to declare the vote null and void and to put the motion for a resolution to the vote.

President. — Let me repeat, Mr Bocklet, that in my capacity as President of this sitting I am required to observe the Rules of Procedure, but I also have to bear in mind the mistakes of the past. We have proceeded previously in the same manner as we have just dealt with this matter. Mr Nyborg is in the Chamber and perhaps he could explain the position of his committee.

I call the Committee on the Rules of Procedure and Petitions.

Mr Nyborg, chairman of the committee. — (DA) Mr Bocklet is right, Mr President.

President. — I call Mr von der Vring.

Mr von der Vring. — (DE) Mr President, we still have the urgent motions by Mr Habsburg and they can be dealt with only under Rule 85, because otherwise what are we going to do with them?

President. — I call Mr Johnson.

Mr Johnson. — Mr President, I do hope you will take this opportunity, notwithstanding what has just happened, to reconfirm the ruling on Rule 85 which has been confirmed now by Mr Nyborg. Referral back to Committee cannot be moved like that during a part-session. That is quite clear.

On Monday this point was reconfirmed by the Chair when Mr Dankert made it quite clear that when he permitted Sir James Scott-Hopkins to move referral

back to committee under Rule 87, it was a wholly exceptional procedure. I think we will get ourselves in really great trouble if at any moment during the proceedings people can move referral back to committee. We must respect the procedural rule which has been established, even though I personally have to say I voted the other way.

President. — I call Mr Blumenfeld.

Mr Blumenfeld. — (DE) Since it is now crystal clear that we have to vote on this matter, can I ask Mr Narjes, who is also down on the list, if he would in fact speak, in accordance with the motion I have tabled? The vote has not yet been taken.

President. — Mr Blumenfeld, I cannot give you a clearcut answer to that question on the basis of the documents I have at the moment in the Bureau, but I shall attempt to give you a clear answer. I have asked for immediate verification as to whether the committee decided as Mr Bocklet says they did. I have this instant received confirmation of the fact. I am not doubting what was said here but I want to see it in writing so that I can then take the appropriate decision.

I have just been handed an official document which states that Rule 85 on referral to committee does not apply to motions for resolutions which are on the agenda for topical and urgent debate. Mr Bocklet is therefore perfectly correct and the vote we took is thus null and void.

I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Mr President, I should like to thank you and the Members who have tabled this motion for a resolution for giving the Commission the chance to set out its views before the signing of the final act and the Convention in Jamaica at the beginning of December.

As you know, the Convention on the Law of Sea is a comprehensive document incorporating provisions covering all aspects of the use of maritime waters. It is an intricate and complicated matter, and because of the global solutions we have been aiming for, it is essential to take a differentiated view of the various advantages and disadvantages of the Convention and its various chapters. This Convention, the result of the conference, is intended as a comprehensively codified work to last a hundred years and, to a large extent, to replace the existing order going back to Hugo Grotius. Our appraisal of the results of the conference must therefore bear these aims in mind.

I would also remind you of previous debates conducted in this House and in earlier European Parliaments, and especially of the reservations made with

Narjes

regard to Chapter 11 dealing with undersea mining. In effect, Chapter 11 creates a dubious precedent for an interventionist kind of world economic order, and it would be self-deceptive to dismiss these fears as mere ideology. They are quite justified in view of the fact that the kind of deep-sea mining provisions we have at the moment are in violation of the basic thinking behind Article 1 of GATT.

There are special reservations regarding the proposed compulsory transfer of technology and the possibility of the Convention being revised, given a four-fifths majority in favour. In other words, there is an inherent risk of a minority being dictated to by the majority. Nor can we simply dismiss the possibility of Europe's supplies of raw materials being adversely affected in the long term by this Convention. For the Third World too — and I am particularly concerned that this point should be made — it would be conceivable to have better and more promising solutions than we have in mind at present.

On the other hand, it is worth stressing a number of aspects which appear to favour appending our signature to the Convention. Firstly, the Convention creates a legal basis for important issues such as the delimitation and use of economic zones or the right of transit. The provisions regarding fishing and environmental protection — two chapters which are the responsibility of the Community — are very largely satisfactory. The important thing — and I should like to thank Mrs Spaak for making this point — is that the signatories to the convention are members of the preparatory committee, which is due to take up its duties in the spring of 1983 and decide on the detailed application of the Convention before it formally comes into effect. Only the signatory countries will have the right to exert influence on this preparatory work, which means that the system has a built-in right of participation. In weighing up the pros and cons, the Commission therefore came to the conclusion that the weight of argument was in favour of signing the Convention, which is what we have decided to do, not least in the interests of Community unity.

There are three additional points I should like to make, however. Firstly, by signing the Convention, we are not committing ourselves to ratifying it. Secondly, in weighing up the pros and cons, the Commission had to bear in mind that an attempt to bring about a better coordination of the standpoints of the Member States and the Community was made only very late in the day — in fact, only over the last 18 months — and that the Member States have therefore tended very largely to adopt different standpoints depending on their particular national interests. Thirdly, the commission has therefore qualified its recommendation that the Convention be signed by proposing that the Community and the Member States signatory to the Convention should make a political statement at the signing ceremony stressing our reservations with regard to Chapter 11 and stating that the Com-

munity's decision on whether or not to ratify the Convention will depend on the results achieved by the preparatory committee.

(Applause)

President. — The debate is closed.

Vote¹

Steel crisis

President. — We shall now consider the motion for a resolution (Doc. 1-856/82) by Mr Wagner and others on the European steel crisis.

I call Mr Wagner.

Mr Wagner. — (*DE*) Mr President, ladies and gentlemen, I should like to begin by pointing out that I am speaking here today on behalf of my Group and those Members who, with me, have tabled this motion for a resolution with request for topical and urgent debate on overcoming the European steel crisis.

As a result of the serious deterioration in steel sales, the European steel industry is now going through the most serious crisis it has faced since the founding of the European Coal and Steel Community, and it is a fact that, in the steel-producing regions of Europe, the steel companies are suffering major losses, right up to the level of the really big companies of major importance in the regions concerned, who are having to conduct a veritable fight for survival. More than half of all steel workers are on short-time work as a result of the poor sales situation, in addition to which thousands of jobs are in jeopardy, due primarily to economic stagnation.

Against this background, our concern was — and I am very grateful for the fact that it proved possible in the Committee on Economic and Monetary Affairs to break through the political group barrier — to create a broad consensus so that the European Parliament, the Commission, the Council, the trade unions and the employers' associations in the European Community could join forces with a view to overcoming this serious crisis and ensuring that the burden was not placed simply on the shoulders of the workers and the regions affected by the steel crisis.

Clearly, the crisis measures which the Commission has taken under Article 58 and under the auspices of the voluntary cartel EUROFER and EISA are again being undermined, in addition to which prices are tumbling

¹ See Annex.

Wagner

in certain product sectors and fixed production quotas are still being deliberately exceeded. On this point — and this goes too for the Members who have joined with me in tabling this motion for a resolution — we would address a very earnest appeal to the producers and dealers concerned to see that the quotas worked out on a fair and reciprocal basis in Brussels are complied with in day-to-day business terms. The important thing is that honest business principles should once again be applied and that fixed arrangements should not be undermined either by negligence or deliberately, with the result that market stabilization and job conservation measures are continually being placed in jeopardy.

In the light of this situation, our motion for a resolution contains specific proposals going beyond what the Commission, the Council and the steel producers have so far come up with in a bid to get to grips with the crisis. So as not to take up too much time, I shall confine my comments to the essential points and leave you to read the text of the motion for a resolution. The important thing is to introduce rigorous checks to enable the Commission and the governments of the Member States — as well as the EUROFER and the EISA cartels — to ensure that the fixed prices and quotas are complied with. Should these measures be contravened, fines and sanctions which have already been imposed must be made to bite. That is another thing we should commend to the Commission's attention, and it is something on which we will give the Commission our full backing.

To ensure that the market is stabilized at long last and the source of losses for steelmaking companies can be sealed, we must arrive at a price level similar to that in Japan and in the USA, and bearing in mind the low level of steel consumption, we must place a limit on imports from third countries, which means that imports covered by existing agreements and new agreements for important supplier countries must be reduced in volume terms. Another important aspect is the need to make progress on the restructuring issue so that the present surplus capacity is dismantled, with the accompanying guarantee of social flanking measures for the workers thus affected.

On this point, we are proposing that the range of financial instruments available to the European Community, in particular the non-quota part of the Regional Fund, the Social Fund and the facilities available under the auspices of the European Investment Bank and the ECSC Treaty are coordinated more effectively with the low interest loans available under the Ortolí facility, and can therefore be put to better effect.

We also take the view that there must be close coordination between the regional structural programmes set up with the aim of conserving existing, and creating new, jobs and training opportunities and improving the infrastructure in the regions hard hit by the steel

crisis on the one hand, and the restructuring programmes on the other, and that these programmes should be put into effect. We are well aware that this will cause problems outside and will require the maximum degree of effort from all concerned. We have also put forward the proposal that our Community debt-funding scheme must be formulated by the Commission in the interests of those companies burdened by heavy loans and interest repayments, and our motion for a resolution also proposes that an attempt be made to reach a European consensus on ways of overcoming the crisis by way of a European steel conference involving governments, the Commission, the Council, trade unions and steel producers.

I would beg the House's approval for the motion for a resolution, to enable us to do everything in our power to add the European Parliament's political weight to the efforts being made by the Commission, the Council and the trade unions to overcome the crisis.

(Applause)

IN THE CHAIR: MR KLEPSCH

Vice-President

President. — I call the Socialist Group.

Mr Moreau. — *(FR)* Mr President, ladies and gentlemen, in my opinion the motion we have before us is important in that it is balanced and tackles three aspects of the steel problem: price maintenance, the need for a viable steel industry, i.e. the problem of restructuring, and, finally, the need for a policy which extends beyond the steel industry to development at regional level and at the level of the sectors concerned.

Today's debate, which is obviously rather hasty, is probably only the prelude to a more detailed debate in this Parliament, since the Committee on Economic and Monetary Affairs has been instructed to draw up a report on the future of the steel industry and regions. This report is now in the hands of our colleague, Mr Wagner.

The problem with which we are faced today, that of the crisis in the iron and steel industry, is, I believe, very symbolic for Europe. If we do not manage to overcome the crisis in the iron and steel industry, which is a key industry in Europe as is the car industry, I believe that Europe's weakened position may well become chronic.

The European iron and steel industry must live on. If the Community does not want to have to depend on

Moreau

random outside influences, it must make every effort to preserve this industry which meets our needs. As we know, this can only be achieved if the Council of Ministers is convinced of the need for a European strategy in this field, which would apply to prices, structural reforms and a consistent commercial policy, and if the temptation for each of us to act alone is eliminated once and for all. We recognize that some results have been achieved, but it must be noted that there is still a long way to go, and that success is still far from being assured.

Every effort must be made to improve the operation of the market. In particular, Article 58 should be applied to better effect. However, other measures should also be taken, and it is my opinion that Article 57 of the Treaty should be more strictly applied. Apart from the difficulties which are mentioned so often in this House, it is certain that despite technological changes, a boost in demand would make it possible to set price levels for a certain length of time which would give the European iron and steel industry breathing space. We should use this time to carry out the priority task of properly restructuring the European iron and steel industry. As far as I can see, the way for this to be done is for the Member States, the Commission and the Council to act with perseverance and for the funds made available to the iron and steel industry to be used rationally and effectively in the way just described by Mr Wagner.

I would stress two points: firstly, if certain products are to be selected, we should not then jump to the conclusion that Europe is not capable of producing and selling more traditional products. It all depends on technology and organization. Secondly, the iron and steel industry problem is not only a question of the survival of a sensitive sector of our economy; it also involves the economic revitalization of the regions concerned, familiar to us all. We hope that an effort will be made to develop an integrated policy for this question — a start has already been made in some of the Commission plans, and we have mentioned the issue in this motion. Obviously, the steps taken so far cannot even solve the current problems, let alone those which we fear will arise in the future.

The measures which must be taken for the iron and steel industry are typical of the type of measures which must be taken to prevent regional imbalances. I personally would like this debate to provide an opportunity for thought on the fact that the iron and steel industry is not only a sectoral problem, and has much wider implications. We would be failing in our responsibilities as parliamentarians if we failed to deal with the problem which lies outside the sectoral problem and which affect the very heart of our Community, i.e. the problem of the industrial revitalization of the old industrial regions and present iron and steel regions. This motion attempts to deal with this problem.

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

Mr Brok. — (DE) Mr President, ladies and gentlemen, on behalf of the Group of the European People's Party, I should like to express my support for this motion for a resolution. We are fully aware that this is a problem of paramount importance, and one which has not exactly made the European Community all that popular in many regions of the Community. And I say that as someone whose home is in the largest of all the steel-producing regions of the Community — North Rhine-Westphalia — and thus knows all the difficulties at first hand.

I should also like to make the point that a *dirigiste* steel policy is dragging us further and further down into the slough of despond. Despite all the assurances to the contrary, the subsidizing mentality is on the increase, and even those who have so far thought only in terms of making production viable and profitable are now getting more and more into the subsidy and price-fixing business, regardless of the fact that the only real result of such practices to date has been higher prices across a broad front, with the inevitable adverse effects on the steel-using industries.

There is therefore an urgent need for the Commission to formulate a clear code of conduct on subsidies, and above all for us to get back to thinking in *bona fide* business and economic terms, which clearly includes the need to dismantle surplus capacity. That is something which must be tackled by the Member States, the European Community and, Mr Wagner, the trade unions and the steel-producers; after all, it is an unfortunate fact that the European trade unions have so far shown no signs of solidarity on this issue.

The reason why we need to get rid of surplus capacity is because our present rate of capacity utilization is quite simply disastrous. The European Community is today producing less steel than in 1951 and more than a third less than in 1974. As you can see, then, something has to be done. And I should like to make the point in my own right and on behalf of my colleagues Mr Müller-Hermann and Mr Konrad Schön that we must ensure that no one is placed at a disadvantage as a result of modernizing and dismantling capacity off his own bat. That would of course be tantamount to striking twice at the unfortunate victim.

We also associate ourselves with the proposals made *inter alia* in this paper to the effect that the resources available from such facilities as the Regional and Social Fund or from the Ortolini facility should be spent on new industries in this sector rather than for pointless job-saving subsidies, as well as on training and retraining in regions affected, so as to offer new opportunities to workers in these hitherto monostructural centres. We also agree that the agreements on the voluntary restraints with supplier countries should be examined and that anti-dumping and anti-subsidy measures should be introduced and implemented more promptly, to cover such countries as Brazil.

Brok

This problem affects us Germans especially acutely because the German market accounts for 50% of the European Community's steel imports. It is essential that we should get our ideas put into practice because we are getting into entirely new problem areas. Those areas which used to be regarded as the wealthiest in the European Community are today witnessing a drop in incomes and have such a high level of employment that they have a right to be regarded as just as worthy of aid as the traditional problem areas. We shall be giving our support to the motion for a resolution in the hope that further progress can be made in this sector.

(Applause)

President. — I call the European Democratic Group.

Mr Purvis. — Mr President, it is little realized and little appreciated what the European Coal and Steel Community and Mr Davignon in particular have done to organize an orderly restructuring of the steel industry in Europe, to re-establish orderly marketing and pricing and to keep open vital export markets in America and elsewhere. There is no doubt that the British steel industry needed, and still needs, this regime as much as any other European steel industry. Without it the situation would be even more disastrous.

But, in the last three years, of the 110 thousand lost jobs in the steel industry in Europe, 100 thousand have been in the United Kingdom and a further 1 300 were announced this morning. I ask the Commissioner specifically, is the load being evenly and fairly shared? Are the rules being observed equally?

Mr Commissioner, there is one country in the Community that has now been threatened with complete closure of its whole steel industry. That is the cloud over Scotland, the threat hanging over Ravenscraig, the new modern highly productive nucleus of the Scottish steel industry, and the main reasons for this are geographical location, transport costs, distance from the centre of the European golden triangle. What value have professions of concern for the regions and so-called peripheral areas when this can even be contemplated? It would mean the destruction in one fell swoop of Scotland's heavy industrial base. The industrial, economic and social implications are unacceptable. All Scotland is united across all its political streams. We have borne our share of the sacrifices, but we will not be exterminated.

Mr Commissioner, could you send this message to Elsinore, for it is a matter of 'to be or not to be'? Mr Davignon and the Council of Ministers must ensure fair play, fair sacrifice and fair rewards. They must ensure that Europe has a substantial and competitive steel industry in the future as the basis for its future.

Scotland, the birthplace of the industrial revolution, will be part of that future. We are resolved on that.

President. — I call the Communist and Allies Group.

Mr Leonardi. — *(IT)* Mr President, we agree with the motion's presentation of the problems and requirements connected with the serious crisis in the iron and steel industry but feel that these issues should be examined in greater detail in the general report mentioned by Mr Moreau.

It is obviously necessary to do as much as possible to alleviate the difficulties caused by restructuring and redevelopment, and we will support any action undertaken by the Commission which makes use either of existing instruments or of instruments which still have to be devised.

The main danger will be that, after the crisis is over, we shall find ourselves with a smaller industry which has the same faults as the present one. This will be the result if we try to solve problems one by one, without taking an overall view.

For years we have, unlike other political groups, voted against the ECSC budget because of the fact that resources are little used for scientific research, and because of the inadequate approach given to the development of the iron and steel industry and the apparent inability to use the financial resources which the ECSC has always had by virtue of its special status among the Community institutions. The ECSC has never had an iron and steel policy or strategy, and we are now paying the price, and those who are bearing the brunt of all these are the workers who are having to leave their jobs!

It is essential that we change our approach. An overall view must be reached before individual measures are taken. We cannot emerge from this situation with a Community iron and steel industry which still comprises the sum of all the national iron and steel plants in the various Member States, which may even be efficient now, but which no longer will be efficient in a proper Community economy.

Unless we act in this way, the measures we are taking now to overcome the current crisis will be completely futile and will only cause a lot of unhappiness, especially amongst the workers.

To conclude this brief speech of mine, I would remind you that the European iron and steel industry passed through a similar crisis when the local and regional iron and steel industries was transformed into a national iron and steel industry. This enormous transformation followed market rules which were then based more or less on criteria of efficiency. Today we wish to transform the national iron and steel industries

Leonardi

into a Community iron and steel industry. Market rules can no longer be used and interventions are necessary at Community level.

The Community has the instruments necessary to perform the task. In the past it has not use these instruments: let us hope that it will do better on this occasion.

President. — I call Mr Müller-Hermann.

Mr Müller-Hermann. — (DE) Mr President, no matter what fine words we may find here regarding the steel industry, one bitter fact we cannot deny is that the Community has surplus steel-producing capacity of between 35 and 40 million tonnes. Before we can even start to find the right way out of this crisis, we must be prepared to face the stark facts of life.

That being so, we must address two appeals to the Commission. Firstly, the urgently needed reduction in surplus capacity must take place first and foremost on the basis of European macroeconomic considerations and not of purely national considerations. Secondly, the lion's share of the substantial resources we are going to spend on restructuring must go to those countries which are going to have to bear the brunt of this reduction in capacity, and which are therefore most dependent on Community funds for the establishment of new industries or for the necessary social measures.

President. — I call the Commission.

Mr Haferkamp, Vice-President of the Commission. — (DE) Mr President, ladies and gentlemen, the Commission welcomes the initiative taken by the European Parliament in instituting this debate. On a number of occasions in the past, we have expressed our concern at the crisis now affecting this particular sector of industry.

As has already been said, the effects of the crisis go far beyond the steel industry itself; after all, the steel industry is one of the key sectors in our economy. Allow me to remind you that the steel industry was one of the two on which the original European Coal and Steel Community was based, in addition to which there is the special situation whereby steel-producing is concentrated in particular regions of the Community, which are thus particularly dependent on the ups and downs in that industry.

We must be sure to view the problems now facing the steel industry against the background of the current world economic recession and of the question of economic growth as a whole, something which makes our restructuring efforts that much more difficult.

I think I can rightly say that many of the things we are now being forced to do in the steel industry — such as closures, plant conversions and the quest for new jobs — would have been a good deal less painful if they had been done at the right time, when we still had real growth rates of 3, 4 and 5%. At the time, though, the steel industry — like other industries — took the easy way out and all too often avoided the uncomfortable measures by holding its hand out for public aid. But at these times of empty public coffers, that kind of thing belongs to the past.

The watchword now is to get moving, draw the necessary conclusions, and the quicker the better. And — let me say this quite clearly and categorically — we must not confine ourselves to purely defensive operations and specific measures designed for the steel industry alone. We must instead continue along the path on which we have already embarked, rationalizing and restructuring in the steel industry, but going beyond that to use the resources and instruments at our disposal to foster innovation and future-orientated technologies. Our real task in the long term must be to create the potential for fresh growth.

This very day, a meeting is taking place in Copenhagen of the ministers responsible for industrial affairs in our Member States, and we are hoping that the meeting will come to a consensus supporting the general aims I have just mapped out. Of course, we must do everything possible in the steel industry itself to mobilize our reserves *vis-à-vis* rationalization. Our aim must be to improve the competitiveness of the European steel industry. The opportunities do exist, and even in this very difficult situation, it is a fact that many steel companies and many of their products remain absolutely competitive on world markets. It is up to us to ensure that that goes for the Community steel industry as a whole.

We are now in a situation of slackening demand right across the board on world markets, and a situation in which we have a large amount of surplus capacity. Capacity utilization is currently between 50 and 60%, and that figure is even lower in the United States, where only barely more than 40% of capacity is in productive use. It is up to us to dismantle this surplus capacity within the Community, and that will require a genuinely concerted and Community approach. It will not do for each Member State to expect the others to make more sacrifices and not be prepared to do its own bit.

If that kind of thing were to become a habit, we should never get anywhere. The important thing is to adopt a genuinely Community approach, bearing in mind of course that we shall continue to make full use of the instruments available to us under the Treaties.

Reference has already been made in this debate to the decision taken by the Commission on prices and on ensuring a fair share-out of the burdens resulting from

Haferkamp

the process of adaptation to the changed circumstances. Unfortunately, a number of steel companies have not shown much in the way of true solidarity in this process, and by exceeding their quotas or undercutting their competitors, they are in effect jeopardizing what we ought to be doing in the way of a joint effort. We have thrown the book at those who have been found to be exceeding their allotted quotas, and on this point alone, we have so far imposed fines totalling more than 25 million ECU.

Very recently, the Commission has made no bones about the fact that the prices fixed under the terms of Article 60 of the ECSC Treaty must be complied with. It goes without saying that we shall be taking rigorous action against violation of these rules too. As you know, we have had long discussions and used the provisions on prices and production quotas to urge a greater sense of discipline on the question of aid to the steel industry. You are no doubt aware of the timetable whereby national aid measures have to be reported by 30 September of this year. That has in fact been done, and our aim is to ensure that no further aid is forthcoming from public funds by 1985.

In the long run there can be no point whatsoever in using public funds to prolong the active life of outdated plant with no real prospects. It would be far better to use the money to create new and competitive jobs and here too, we have taken this initiative in availing ourselves of the opportunities offered under Article 56 (2) on conversion loans.

Under Article 56 (2) b) we have granted large sums in respect of vocational retraining, in addition to which we have created additional facilities for social measures by releasing 50 million ECU in the 1981 ECSC budget.

All this has been made possible by close cooperation with all concerned, and more particularly with the ECSC Consultative Committee and with this House. In future operations, and given the difficult task confronting us, we must make full use of all our resources in the social and regional spheres.

The consequences of the regional concentration of the steel industry are now clear to us, and should give us the chance to make combined use of social and regional resources. In particular, the non-quota part of the Regional Fund should be made available for areas undergoing restructuring. That is something the Commission has called for in connection with the discussion on the mandate. Together with the European Parliament, the Commission calls for this non-quota part of the Fund to be increased so as to finance the creation of new jobs in these hard-hit areas.

The same goes for the utilization of the Community's other financing instruments. The resources and facilities available to us should be lumped together and put

to use in close conjunction with similar resources made available by the Member States.

Of course, it goes without saying that all these measures depend — and this is brought out too in the motion for a resolution — on the operation not being adversely affected by outside influences, such as excessive imports into the Community channelled onto our market because the rest of the world cannot take up the slack. We must ensure that our measures are not undermined from outside. At the same time, though, we must ensure that our trading relations with our traditional trading partners are not adversely affected, because here too we are in a difficult situation.

As you know, we have negotiated agreements with third countries for steel supplies for years now, and we shall continue to do so. Discussion is now in progress on the negotiating directives in the Council, and you may rest assured that, in the steel industry itself, we shall implement all the general regional, social and economic measures I have sketched out here.

The same goes for our external relations, and it of course goes without saying that the Commission will continue to work in the closest possible cooperation with this House, with a view to ensuring that, in this difficult operation, we stand politically four-square, so that the Community institutions can play their important part in the interests of the Community as a whole and of the steel industry, with the aim of helping the industry out of its current problems and ushering in healthy regional and social developments in the affected areas.

President. — I call Mrs Lizin.

Mrs Lizin. — (*FR*) Mr President, I should like to ask the Commission why its Member with responsibility for social affairs did not speak on such an important matter and also why he is not in Copenhagen along with Mr Davignon.

President. — I call Mr Purvis.

Mr Purvis. — I asked the Commissioner a specific question, whether he was satisfied that there was fair play in the Community. He said he had the intentions, but the road to hell is paved with good intentions. Is he actually satisfied that fair play and fair sacrifice are to be found in the steel industry in Europe?

President. — Mr Purvis, you have other opportunities to criticize the Commission for not giving you a full enough answer.

I call Mr Rogers.

Mr Rogers. — Mr President, under our Rules of Procedure the Commission sums up and answers the debate, so I think that Mr Purvis' point of order is a relevant one and that he certainly has the right to come back if he thinks the Commissioner has not, in fact, answered the points made in the debate. Mr Purvis' question was a very specific one. It will not take Mr Haferkamp long to answer it, as he knows all about the matter.

President. — I am afraid I cannot agree with your interpretation of the Rules of Procedure, Mr Rogers, because then there would never be an end to supplementary questions.

I call the Commission.

Mr Richard, Member of the Commission. — Mr President, I would like to say three things. First of all, it is a novel experience for me as a Commissioner to be criticized for being here!

(Laughter)

The usual procedure, in the House and in the groups and everywhere else, is that I am criticized for not being here. So I thank Mrs Lizin for a new experience!

Secondly, I did not take the floor in this debate, because Mr Haferkamp, on behalf of the Commission, emphasized what is the only important point as far as social measures are concerned, which is that they have to run in parallel with the measures for restructuring that are being taken. That was said by him very clearly on behalf of the Commission. Frankly, reiteration by me in another language does not actually add to the strength of the point.

Thirdly, Mr President, I am not in Copenhagen because at the moment it is an unofficial meeting of Ministers of Industry. On the other hand, when the time comes to discuss social measures in parallel with restructuring, I assure Mrs Lizin that she will be able on that occasion to get up before the House and congratulate me upon *not* being here!

(Applause)

President. — The debate is closed.

Vote¹

Situation in Somalia

President. — We shall now consider the motion for a resolution (Doc. 1-873/82), tabled by Mr Fergusson on behalf of the European Democratic Group, on the situation in Somalia.

I call Mr Fergusson.

Mr Fergusson. — Mr President, it is certainly high time that this Parliament and the Community turned their attention to the very dangerous developments over the past twelve months at the southern end of the Red Sea. The resolution, which is in this group's name, pinpoints the most militant aspect of the danger and is a belated response by this Parliament to an appeal sent to us late last summer by the President of the Somali Assembly, following the invasion of Somalia by Ethiopia — a régime and an army now under the tutelage of, and equipped by, the Soviet Union and supported by Cuban troops and advisors.

The appeal I speak of was forwarded by the President of Parliament to the political groups, the Political Affairs Committee and the Committee on Development and Cooperation, and it is a matter for concern that our response has been delayed for so long. Since the menace to Somalia continues with the build-up of troops along the Red Sea coast and because a policy of destabilization is also being pursued beyond Ethiopia's northern, Sudanese, frontier, this is an opportunity, and none too soon either, to record our condemnation and, not least, to warn against Addis Ababa's efforts to reopen its offensive at any moment.

We obviously do not need a prolonged debate now. The aim is rather to awaken us all to what is going on, and I believe we shall need a report, a much fuller report, about the Horn of Africa later on. The whole thing for the present goes beyond the question of disputed territory; and I hope Mr Hänsch will not press amendments which, by showering blame all over the area, simply weaken Parliament's voice and ability to make itself heard.

There are, to my mind, two aspects of the Ethiopian scene which are of significance to us. One is her membership of the 1981 Tripartite Aden Pact, in which her partners are Libya, the psychopath of Africa, and the South Yemen, whose principal guidance in matters of, shall we say, crowd control is supplied by East Germany. The first purpose of this Russian-instigated pact is the destabilization, prior to domination, of North-East Africa and the Gulf, which makes it even more essential to give our support to Somalia, Sudan and other friendly States in the region — Djibouti and Kenya, to name but two.

The second aspect is the humanitarian one. On the one hand, there are the Ogaden refugees. Once more in the world we have the continuing spectacle of thousands of people dislodged from their homelands through the actions of a Marxist military régime. On the other hand; we have the usual story of political prisoners, who are the invariable companions to totalitarianism anywhere in the world. The Mengistu régime was a case in point some two months ago, but there are many more. And what about the repression

¹ See Annex.

Fergusson

in Eritrea and the half-million Eritrean refugees in the Sudan?

Ethiopia is not only a member of this Moscow-backed pact aimed at destabilization, she is also a member of the Lomé Convention and, I believe, the largest single beneficiary of Community aid. Although it is not the Community's habit to tie political strings to humanitarian aid, we must nevertheless recall the case of Uganda under Idi Amin. I wonder whether the Commission would agree that aid to an anti-Western régime now hand-in-glove with a tyrant like Gaddafi, and one which continues directly and indirectly to cause so much human misery, does need to be reconsidered.

I commend this resolution to the House. At its simplest, it states who are our friends and who are not.

(Applause)

President. — I call the Socialist Group.

Mr Hänsch. — *(DE)* Mr President, ladies and gentlemen, the Socialist Group deplores the way in which a majority of this House — not to mention a majority of the Political Affairs Committee — discusses matters relating to the major crisis areas in Africa.

The fact of the matter is that, on 2 September, the President of the Somali Parliament addressed an appeal to this House. How can something which was received by this House at the beginning of September suddenly have become urgent now, at the end of November? The right course of action, to our mind, would have been for the Political Affairs Committee to have produced a proper report on this important issue, which we could then have discussed carefully and in detail, because after all what we are talking about here is one of Africa's most important crisis areas, where thousands upon thousands of people are in dire trouble. You simply cannot deal with that kind of thing in a 10-minute debate. I utterly deplore what is going on here, and the Socialist Group will react accordingly.

President. — I call the European Democratic Group.

Mr Christopher Jackson. — Mr President, this week we are debating the tensions in Central America and what the European Community can do to help. But I have to say to the House that the tensions in the Horn of Africa are of much more immediate importance to us, because it controls the strategic access to the Red Sea and to Suez.

Last year a delegation from the European Parliament visited Ethiopia, and this year a representative of the Commission has been there. Their reports found no abuse of our aid, but I think it has to be said that

short-stay visits to a large country can be steered away from problems areas. Therefore, I wish to bring to the House's attention the difficulties that come to light in other reports. There have been strong and persistent suggestions that European Community aid has been used by Ethiopia for wrong purposes and that our food aid has been found on the battle fields of Eritrea, used by the Ethiopian troops there. I have here a paper from *Rights and Justice* which tells quite a different story to that recounted by the Commission and by our own delegation. It asserts that there has been an enormous increase in the scale and ferocity of human rights violations in Ethiopia in the last three years. This information comes from smuggled letters and through the testimony of refugees. It asserts that there are no less than 260 forced labour camps and that the conditions there are fearful. It asserts that there is arrest without trial, torture and frequent execution without trial, and forcible displacement of people from minority tribes and social groups.

Mr President, how true are these reports which give names and dates and places? It is a region where truth is perhaps hard to come by. But the nature and extent and persistence of these reports must give us in the Community grounds for the most lively concern. And it is for these reasons, Mr President, that I hope Parliament will agree to my request in Amendment No 6 that the Community should not commit further aid — that is to say in 1983 — to Ethiopia until a full report has been made to this House by the Commission, a report which must itself be based on investigation of the reports to which I have referred.

President. — I call the Commission.

Mr Haferkamp, Vice-President of the Commission. — *(DE)* Mr President, the motion for a resolution is addressed essentially to the Council and the Member States. The Commission has always pursued the aim of using the resources at its disposal — in particular within the context of the Lomé Convention — to foster stability in Africa and in particular cooperation between the countries of Africa, regardless of what tensions may exist between them. We shall persevere with these aims.

I cannot of course comment on what speakers in this debate have extracted from press reports. We have so far received no indications whatsoever that the aid and facilities supplied by us are not being used for their rightful purpose. However, we shall of course be investigating this matter.

President. — The debate is closed.

Vote¹

Paragraph 3 — Amendment No 4

President. — I call Mr Fergusson.

Mr Fergusson. — Mr President, I wanted to point out before the vote — but it does not really matter — that there was a very substantial difference in wording between the German text and the English text. The German text of Mr Hänsch's amendment was in fact much more acceptable than the English one. But as the amendment has fallen, it does not matter any more.

President. — The texts should be checked and brought in line beforehand.

Video market — French import restrictions — EEC-Japan trade agreements

President. — We shall now consider four motions for resolutions:

- motion for a resolution (Doc. 1-864/82), tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats, on the conquest of the European video market;
- motion for a resolution (Doc. 1-872/82), tabled by Mr Møller and Mr Kirk on behalf of the European Democratic Group, on recent trade measures taken by the French Government;
- motion for a resolution (Doc. 1-881/82), tabled by Mr Glinne and others on behalf of the Socialist Group, on trade agreements between the EEC and Japan;
- motion for a resolution (Doc. 1-896/82), tabled by Mr von Wogau and Mr Herman on behalf of the Group of the European People's Party (CD Group), on import restrictions in France.

I call Mr Israël, deputizing for Mr de la Malène.

Mr Israël. — (FR) Mr President, ladies and gentlemen, today's debate is of the highest importance. It concerns nothing less than the setting up of a Community industrial policy.

Europe has already been the cradle of two industrial revolutions. First came the steam engine, and then electricity. Now with the extraordinary upheavals of the

late twentieth century, these revolutions look like being overshadowed by the third, the electronics revolution. We are talking not only about informatics or communications but also about biotechnology and robotics. And just as this challenge has arisen we are witnessing a worrying decline in industrialization in Europe. Yet for years the directors of European firms, whether in France, Germany or the Netherlands, have been bemoaning the lack of reaction in Europe to the Japanese offensive on the electronics front. They have regularly, and rightly, called for the creation of a Joint European Fund.

Looked at from this angle, the protectionist measures recently taken by the French Government appear to be a mere drop in an ocean of lamentations. In the light of the different social situations and the lead which Japan has built up over Europe we should no doubt be negotiating a genuine agreement with Japan on self-restraint in the field of electronics. This would give Europe time — and we would not need as much as some people believe — to respond to the present technological challenges and the demands of the public. Our leaders need to understand — and this is important — that the battle will be between black gold and grey matter, i.e. between nature's gifts on the one hand and man's capacity for organization and innovation on the other. For the Community, therefore, a genuine technological revolution is taking shape in the middle of the present crisis. What is regrettable, Mr President, is that, intellectually, we are already lagging behind in the basic approach required.

When questioned recently the Commission stated that it had proposals to make and would do all in its power to launch an appropriate programme. But that might well not be enough. That is why we are today insisting that Europe must adopt an absolutely revolutionary approach, since it seems to me that what is at stake, first and foremost, is nothing less than the freedom of the individual. Without going into details, we are urging the Commission to use the great financial resources at its disposal — New Community Instrument No 3, the European Regional Development Fund and the European Investment Bank — to promote the manufacture of video recorders in Europe rather than importing products from the land of the rising sun. In the interests of millions of European workers let us make use of the innovative skills of Thompson, Philips, Grundig, etc. and start manufacturing to European standards. Independence for Europe can be bought at this price.

President. — I call Mr Møller.

Mr Møller. — (DA) Mr President, the European Communities were founded on the principles of a common market for agricultural products and a free trade zone for our industrial products, and they remain the basis of the Community today.

¹ See Annex.

Møller

Thus, for many years, the European economy went from strength to strength as we moved away from the import restrictions, the customs duties and the customs restrictions on free trade of the 1930s and 1940s. Now, though, we have suffered a reverse as a result of the spiralling cost of oil, and we are now seeking to safeguard our own interests — and that is after all what the French Government has been trying to do — by returning to the 30s and 40s brand of isolationism, thereby turning our backs on the Community ideal and free trade. The founding fathers of the Treaty of Rome can hardly have been expected to foresee the ingenuousness the French Government would display in finding ways of circumventing the very Community ideal of a free-trade area. But the imagination the French have always been renowned for — the French *esprit* — has now found powerful expression in restrictions and obstacles to trade between the Member States. That is what we must protest about, and that is why we must call on this House to issue a solemn warning to the French Government that we cannot tolerate the Treaty of Rome being circumvented and rendered ineffective in this way. It is not as if we are talking about a mere drop in the ocean. Let me, in any case, remind Mr Israël that the ocean is made up of drops, and for each and every drop you add to the ocean, the more unfathomable the upshot will become.

We already know that the Germans have threatened to respond in kind, and we also know that any trade war which flares up between our own countries can spread to other countries at any time. That what we must avoid, and that is why we have the European Parliament — to ensure that the Commission and the other Community institutions observe both the letter and the spirit of the Treaty. What this amounts to is the non-observance — in spirit at least — of the Treaty. I would therefore call on this House to tackle this affair with all the authority we possess as a popular assembly, to ensure that the Community's fundamental ideals are respected, and that we do not fall back into the kind of protectionism and isolationism and all the other evils we thought we had done away with by setting up the European Community.

President. — I call Mr Glinne.

Mr Glinne. — (*FR*) Mr President, this question is inseparable from the question of the new industrial policy, to which we really should be paying more attention at Community level. The question has been debated in France quite recently, the national debate being marked by significant encounters between major undertakings representing interests throughout the Community.

The future of the whole Community depends on the new advanced technologies, and it is in this context that our motion stresses the need to restore the balance of trade between the EEC and Japan. We also

note that there has been no practical follow-up, or at least none that we can see, to the decision of the Council of Ministers of March 1982 to establish a high-level working party to monitor the imports of five products coming from Japan, the products being colour television tubes, digital-control machine tools, video tape recorders, quartz watches and stereo systems. We regret and deplore the apparent lack of activity by this so-called high-level working party. We are extremely anxious to avoid national protectionist measures being taken, since these would damage Community cohesion. What we want to see, and Mr Møller seems not to have grasped the full significance of our text in this respect, is a unified trade and industrial policy being practiced by the Ten, as was the case for steel.

Consequently, and this is our final point, we urge that efforts be made to negotiate self-restraint agreements with Tokyo for the products causing the problems. We call on the Council of Ministers to stimulate European industry and protect it against harmful competition.

Mr President, two days ago, during a debate on protectionism, Commissioner Davignon said it was clear that any industrial strategies which we developed must be based on an attacking trading strategy and must contain rules to protect us against abuses or against a lack of balance between the commitments of the parties involved. This is precisely the objective of the motion which we have submitted to this House.

(*Applause*)

President. — I call Mr von Wogau.

Mr von Wogau. — (*DE*) I have always fought for the principle of keeping the Community's internal market open, which is why we are all so concerned about reports appearing in the French press that goods imported into France will in future have to bear details of the country of origin. This is something the European Parliament has twice come out against, and I am quite sure that it is in contravention of the Treaty of Rome.

A further demand is that all documents should be submitted in French, despite the fact that international trading languages are recognized everywhere else. We have also received reports that public works and supply contracts should in future be drafted in such a way that virtually only French products will be considered. And finally, we have all read the press reports on the battle of Poitiers, where a solitary official has the job of clearing thousands of video recorders for customs purposes. We are bound to ask — and it is a question I would put to the Commission — whether these measures are directed likewise at Member States of the European Community.

von Wogau

As we know, historical events like the Battle of Poitiers tend to repeat themselves in the form of farce, but we are bound to wonder whether farce does not in fact contain elements of tragedy, the tragedy in this case being that these measures, which are after all directed at third countries outside the Community rather than at Member States, may at the same time be a nail in the coffin of the Common Market.

I should also like to take this opportunity to make it clear that this motion for a resolution is not directed at any particular Member State. If you take a close look at protectionism within the European Community, you will not fail to notice that hardly any country in Europe is entirely blameless. We therefore call on the Commission to do everything in its power to stamp out such protectionist measures as soon as they rear their ugly heads. It has become fashionable recently to refer to the freedom of world trade in a somewhat condescending tone. One minister in the European Community at least has referred to the meeting of GATT Ministers as a meeting of the old guard.

Ladies and gentlemen, let us be clear about one thing — without the freedom of world trade introduced after the Second World War, we should be worse off, prices in Europe would be higher and we would still be working longer hours. Without the international division of work, which is after all based on the free world trade principle, and which GATT is designed to safeguard, no country in Europe could afford a 40-hour week, let alone even shorter working hours. It is therefore up to all of us to fight to uphold the principle of free world trade and, in particular, free trade in the European Community.

The Bible tells us that we should be kind unto the tax-gatherers and the Pharisees, but the European Community's current stock of tax gatherers and Pharisees are not exactly making this an easy task.

(Applause)

What we need

(The President urged the speaker to conclude)

is for the Common Market to be opened up, not sealed off. We need European standards, we need a common research policy and we need a common policy *vis-à-vis* third countries. That is what our motion for a resolution calls for, and I would ask for your support.

(Applause)

President. — I call the Socialist Group.

Mrs Theobald-Paoli. — *(FR)* Mr President, ladies and gentlemen, a lot of fine words have been spoken. The

reactions provoked by certain decisions taken by the French Government with respect to imports are perfectly healthy, since these salutary measures have opened the Community's eyes.

Nonetheless, there is considerable irony and a great deal of injustice in the accusation of protectionism levelled against France, a country which by the end of the year will have an external deficit of 95 000 million francs. Besides which, have not the countries of the Community also benefited considerably from France's economic policies since June 1981? The balance of trade with her European partners would suggest so.

What we want is for the EEC to strengthen its commercial policy, to develop a unified, indivisible, active policy capable of meeting the challenges from outside.

France submitted a memorandum along these lines to Brussels in April 1982. The memorandum called for closer monitoring of Community imports and the introduction of new regulations, based on United States legislation, to enable the Community to defend its commercial interests more effectively. The discussions, like the procedure initiated in May by the Ten against Japan under Article 23 of the GATT, are making no headway. The Members of this House who visited Tokyo with the European delegation in May last year were, like me, struck by the way in which the Japanese pricked up their ears when we pointed out that we were speaking on behalf of 270 million Europeans.

Admittedly that was just before Versailles, where they were afraid that we would be bringing charges against them, although in the end we never did.

The measures taken in France are in no way protectionist: they are designed to combat deflections in trade — in short, to inject a degree of morality into international trading — and to defend the consumer. I cannot see any causes for rebuke there.

I would add that France's rules on external trade are transparent. Not all countries can say the same. All the measures taken have been made public, which is not the case in many countries, and the liberal reputations of certain of our partners would be greatly dented if France got wind of the rules being applied there.

I would simply say that the Community is not a wide-open free-trade zone. Of course, as Mr Møller, Mr Kirk, Mr von Wogau and Mr Herman are well aware, harnessing the Ten to a prancing, spirited 'Japan Incorporated Company' is no easy matter.

For this reason I believe it would be ill-placed to adopt these two proposals at a time when we know that three large undertakings, from France, the Netherlands and Germany, are entering into negotiations to create a major European electronics combine and when two of these undertakings, the Germans and the Dutch, are

Theobald-Paoli

calling for an anti-dumping enquiry into Japanese video recorders. If the authors of these two proposals can appreciate my point of view I would like to suggest that we should jointly refer the matter to this House's Committee on External Economic Relations, which is the only body capable of unravelling problems of such complexity. It would be a serious gesture and would bode well for our future. If this suggestion proves unacceptable, and I sincerely hope it will not, we shall support the very positive motions tabled by Mr Glinne and Mr de la Malène.

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

Mr Notenboom. — (NL) Mr President, it is perfectly normal and understandable for consumers — including government bodies — to buy the products of their own country, either because it is easier to do so, or because the place of production is closer or because they are more to the taste of the consumers. However, when — as is happening in France right now — all government agencies are urged from the very highest sources to buy only French products wherever possible, that is a dangerous development indeed. We all make mistakes, but what really matters is when things are taken too far, and Mr von Wogau was right to say that, in this case, the French are going too far. In fact, this criticism is in the interests of France itself, because this much-criticized state of affairs can only evoke countermeasures from the other Member States, something which neither I nor anyone else would wish on France. In my opinion the motion for a resolution is a reasonable one, and I should like to take this opportunity to ask the Member of the Commission whether he can confirm that memos are in circulation — in the French army amongst other institutions — with detailed instructions about giving preference to French products. I am sorry that this problem should have arisen with regard to a single Member State — should similar things come to light in my own country, my reaction would be just the same.

President. — I call the European Democratic Group.

Mr de Ferranti. — Mr President, ladies and gentlemen, what we are talking about today is *not* the growth or the survival of the telerecorder business in France. We are really talking about the survival of all our industries throughout the Community. We can only enable those industries to survive by having the market open to all companies trading in the Community and thus having a strong negotiating position when it comes to negotiations in world markets. So the action that has been taken, which I think will be known in history as the 'Poitiers action', is, in fact, a sad day for the Community. It is unilateral action, when what is required so desperately with 11 million people unemployed is European action. What is

required is combined action by the Commission — and it is a good thing that we have three Commissioners representing us on this important occasion, including the President himself — and Parliament to ensure that the Council begins at last to make generalized decisions which can help not just the electronics industry but all our industries and commerce.

It is a sad day, but let us not get too depressed; let us remind ourselves of the context. Trade and industry has, in fact, done a pretty good job so far in taking advantage of the open Community market. The interpenetration of trade is remarkable. We are much more competitive than we often think we are. We have a great deal going for us. The original removal of the tariffs when the Treaty was signed 25 years ago has helped, but that was a relatively simple action which industry has taken advantage of. What we have to do now to make a further contribution to the achievements of industry and commerce at the political level is to remove all the other non-tariff barriers to trade, and this is very much more complicated. It is so easy to pass these resolutions today and think that action can be readily taken. It is not simple. The Commissioners know only too well what they are up against in achieving any results. And it is not simple mainly because it is not understood. It is simply not realised by ministers in the Member States, by senior civil servants in the Member States, by members of the customs services themselves, by the whole world of people involved in trade associations and in standards formation, the whole world of court procedures and legal action which affect the non-tariff barriers to trade, how gigantic is the job that has to be done. I think that once we recognize how big it is and set about devoting more resources to it, we will then begin to find that we make some more progress.

Just take the immediate position that faces the Council. It has 21 directives in front of it which, if they had been passed, could probably have gone a long way towards forestalling this unfortunate unilateral action that we are debating today. If those 21 directives had gone through, we would have in place a Community procedure for ensuring within the rules of GATT that there is reciprocity in treatment of goods imported from other countries, which is the heart of what we are talking about today. Those 21 directives would also ensure that the most difficult barrier of all, the testing procedures — quite apart from customs procedures — which products have to go through, could be handled on a Community basis to the immense benefit of the market that we are talking about and employment and prosperity of the industries concerned.

You see — if I might say this to Mr Israël — if industry is to survive, if we are going to have a VTR, an electronics information technology industry in the Community, we must have the whole market open. We cannot do it by this kind of attractive, almost amusing, measures. We have got to do it by getting the whole market open and then ensuring that European

Ferranti

companies selling into that market can respond with speed. This is the most dramatic part of the new industrial revolution, the speed at which products have to be developed to remain competitive in the market place. I will listen with very great interest to what the Commissioner has to say. He has made valiant efforts in this direction, but it is a challenge to the whole Commission, to the whole of this Parliament and to the whole of the Community to get steady progress in this field.

(Applause)

President. — I call the Communist and Allies Group.

Mr Fernandez. — *(FR)* Mr President, the French Government has taken certain commercial measures which we believe to be entirely legitimate at Community level for two reasons.

The first is that France has a very worrying trade deficit: almost 21 000 million francs with the United States, 7 000 million with Japan, but also, for 1980, almost 17 000 million with West Germany. This situation is unacceptable. The exclusive priority given to exports over the years has contributed towards an industrial decline which must be stopped.

The French Government's measures to recapture the domestic market are based on this principle and on the need to reduce unemployment. We believe that restoring a balance in trade, without resorting to protectionism, goes hand in hand with reducing unemployment and re-establishing a satisfactory level of growth. The problem is to find genuine solutions to the fundamental question, how to overcome the present crisis. We do not consider that our policy on trade and industrial development contradicts Community principles or the need for closer cooperation.

The Community must give positive support to Member States committing themselves to policies of economic growth. It is a question of political choice. The second reason is that the Community itself has not been sufficiently firm in its own dealings. It negotiated at length with the Japanese in 1981 to persuade them to exercise self-restraint in their exports of certain industrial products, automobiles in particular. Result: the Community markets are flooded with Japanese exports.

The Commission claims to be taking steps to promote the development of new technologies and micro-electronics in Europe. All very commendable, but surely that means we should be fighting to prevent abusive exports of capital and foreign imports rather than accepting them, not to say favouring them?

If the Community has a responsibility, this is where it lies: in helping the Member States to throw off the

yoke of American and Japanese industrial domination. The Community is failing in this respect. Everyone today agrees that as far as trade goes the Community is like a sieve, and that the United States and Japan are practising a systematic form of protectionism.

We therefore propose that the Commission, in preparation for the forthcoming GATT negotiations, should link up with the Member States to launch an offensive against such protectionism and thus promote the development of the Community countries.

(Applause)

President. — I call the Liberal and Democratic Group.

Mrs Tove Nielsen. — *(DA)* I should like to say on behalf of the Liberal Group that we are extremely worried about the economic crisis which has beset all the Member States. We are also alarmed at the apparent effects of the economic crisis in many — possibly all — our Member States, that is to say, the fact that measures are being resorted to which will set us back years to a time we would not like to go through again.

We are extremely worried about the growth of protectionism, and the fact that Member States are resorting to national measures which are contrary to both the letter and the spirit of the Treaty of Rome.

We are therefore perfectly prepared to call on the Commission and the Council to do something in this respect so that we can live up to the Treaty of Rome, because the really important thing is a free trade policy, and competition is our real lifeline, not only as regards our own common market, but also as regards the market outside the Community.

I should like to say on behalf of the Liberal Group that we wish to have nothing to do with protectionism and national measures, no matter which Member State imposes them. I should like to make it perfectly dear that we are not attacking any particular Member State so much as all the Member States, given that this increase in protectionism and national measures hits at what we should be making common cause on — that is to say, free trade and an effective competition policy.

I should like to point out that we have naturally studied these motions with interest, and there can of course be no doubt whatsoever that the Liberal Group will be supporting the amendment tabled by Mr von Wogau, Mr Herman and myself. We feel it is important that we should call on the Commission and the Council to develop a Community strategy so as to improve European producers' competitiveness in the video sector, and so that we can set up a Community trade policy on goods imported from third countries

Tove Nielsen

We also attach importance to what Mr de la Malène's motion for a resolution has to say about setting up a common European policy on the video market. There is, after all, one thing we must be quite clear about — if we fail to make common cause on this issue, we shall very quickly get into the kind of situation in which we shall have to resign ourselves to the loss of an enormous number of jobs in our Member States. Bearing in mind that we already have a depressingly large number of people unemployed in the Community, and are doing our best to create new jobs, we must of course at the same time do everything in our power to conserve the jobs we still have.

We therefore feel that we are faced here with an extremely serious attack on the employment situation; but at the same time, I should like to add — as regards the motions for a resolution — that we do not think the motion tabled by the Socialist Group will solve any problems because their proposal does not dissociate itself entirely from protectionism. The Socialist proposal is that we should simply cut down the increase in protectionism. But what that amounts to is saying that we are prepared to approve another form of protectionism. We are therefore unable to give our support to the Socialist motion for a resolution, because our aim is to do away with protectionism entirely, along with the national measures which are contrary to everything we should be working for under the terms of the Treaty of Rome.

Allow me to give you one specific example of the effects that protectionism and national trade measures can have by telling you about how what has been happening in France over the last few weeks has affected a robust and perfectly viable firm like the Danish firm of Bang & Olufsen which, over the last few years, has made great efforts to establish itself on the French market, its competitiveness being based on the fact that it has developed an extremely viable product in the video field. Thanks to free trade, the product is now beginning to capture a large and profitable market, as it is after all more than able to compete with similar products. However, thanks to the measures now being imposed by the French Socialist Government, we are unfortunately getting into a situation where the French domestic market is being totally destroyed. We ought to realize that one of our Member States — in this case Denmark — is being forced into a situation in which a viable and competitive firm is being forced to scrap jobs. What protectionism is in fact doing, therefore, is trying to provide and create security for tottering firms with no future. The result is that the firms which are competitive, and which do have genuine prospects — to the benefit of the Community as a whole — are being sent to the wall.

Mr President, we are therefore utterly opposed to any relapse into protectionism and national measures which violate both the letter and the spirit of the

Treaty of Rome, irrespective of the country seeking to impose them.

(Applause)

President. — I call the non-attached Members.

Mr De Goede. — *(NL)* Mr President, the common market is increasingly being seriously undermined by all manner of non-tariff restrictions to trade, the latest being the recently revealed new import restrictions in force in France. Complaints about the long waiting time to import goods and on the requirement that the import documents should be in French only are just a couple of examples of how to move diametrically opposite to what should be our aim — the elimination of protectionism over a wide front. This kind of thing can only lead us further away from our stated aim. The imposition of measures designed to restrict imports on the part of one country evoke only too quickly reciprocal moves on the part of the country falling victim to those measures. Now that we have once ventured onto this slippery slope, it will be difficult to find our way back again to the straight and narrow of genuinely free trade.

To my mind, the measures taken by the French are a serious violation of the Community Treaty, and I should like to say to our French friends, including Mr Fernandez, that a balance of trade deficit is not an acceptable excuse for such a move. We expect the Commission to move promptly, if necessary by getting the European Court of Justice to condemn the French measures as a matter of urgency.

Mr President, we shall be giving our support to the motions for a resolution tabled by Mr von Wogau and Mr Herman, and by Mr Møller and Mr Kirk. We shall also be supporting the motion for a resolution tabled by Mr Glinne on trade agreements between the Community and Japan. It is very much to be hoped that the Member States do not introduce any protectionist measures off their own bat against the excessive imports of Japanese products, such as television tubes, television sets, video recorders and hifi equipment.

It is now up to the Commission to waste no time in entering into negotiations on agreements covering voluntary restrictions. Of course, that will not be enough in itself. What we need on a broad front are initiatives which will improve the competitive position of producers of similar products in the Member States, on the grounds that these are at any rate to be preferred to import restrictions. After all, tens of thousands of jobs are at stake, and industrial cooperation is now absolutely essential.

We believe that Mr de la Malène motion for a resolution strikes the right note and that too will be receiving our support.

President. — I call Mr Müller-Hermann.

Mr Müller-Hermann. — (DE) Mr President, the trouble we are now being caused by the Japanese in the video and communications sector is really nothing new. I believe we should asking ourselves, our businessmen and the Commission whether the Japanese do not in fact have the beating of us in terms of technical developments, productivity and flexibility. Should that be the case — and I hope that it is not, although we can only assume it to be so — protectionist measures are not going to solve the problem.

I also assume — and I would ask the Commission to reply to this specific point — that the prices the Japanese are currently charging on the European market in this sector are not dumping prices. I would ask the Commission to give very careful consideration to whether or not dumping practices are being applied here.

I believe that the only way we can effectively respond to this challenge is by way of large-scale intensive European cooperation on the part of all the companies involved in this sector, combined with a major effort in a true Community spirit. I believe we shall then be in a position to get to grips with the problem.

I would therefore ask the Commission to ensure that, in the light of the cut-throat competition now going on in the video sector, we do not respond in a way which the cartel authorities might regard as excessively competition-distorting. After all, it is only by cooperating at European level that we shall be able to meet the Japanese challenge.

President. — I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Mr President, I should like to reply to all the points which have been made, although I must of necessity be brief. The Commission shares the concern expressed by this House regarding the increasing trend to protectionism both worldwide and within the Community.

The degree to which international and Community interests are intertwined is evident from the fact that the Community and its associate countries account for something like 40% of world trade. It therefore follows that success or failure in the fight against protectionism within the Community will mean success or failure in the same fight worldwide.

The Commission has observed protectionist tendencies in *all* the Member States of the Community, although we would not deny that there are important differences from country to country in the rigour and number of measures taken and the form in which those measures have been announced.

Against this background, the Commission would make the point that, in all Member States, national strategies for overcoming the current recession and national economic policy strategies are based on the assumption that, in the short term and particularly in the long term, it will be possible to bring about a significant increase in exports in real volume terms. In other words, all the Member States base their planning on the assumption that the volume of world trade will increase in real terms.

It is precisely this basis of all national strategies which would be destroyed if protectionism were to become rife in the Community and throughout the world. It would mean in effect that all national strategies would simply collapse like a house of cards, burying under them all the fondly-held hopes and illusions. In this respect, I share the view of Mr Møller that, in such a case, a repetition of the situation of the 1930s is by no means implausible. I should also like to warn those concerned against mixing up exchange rate and trade problems. When a country gets into serious balance of payments difficulties, the root problem has to do with exchange rates and not with the question of whether more or less protectionism is called for.

The Commission has recognized this state of affairs and, prompted by the need to take action, put forward — on 10 November — proposals designed to combat protectionism in internal trade, and these proposals have now been submitted to the European Parliament. They are addressed to the Council and are aimed at bringing about a quick decision on a large number of issues currently in abeyance, if necessary by an *ad hoc* procedure. In particular, the way in which, and the speed with which, the decisions are taken are intended to help restore confidence in the internal market.

The fact is, after all, that our huge European market can only have any effect on investment activity if those with the money to invest have confidence in the existence of this internal market, or if that confidence is restored. And this can only be done by the kind of measures for which specific decisions are required, and certainly not by fine words and communiqués. All the verbiage has now been worked to death and, as a result of hundredfold repetition, has long since ceased to have any effect on those with investment potential.

Moving on to the specific point of the measures taken by the French Government, on which a number of questions have been raised, I should like to say that the Commission requested the requisite information in the first instance by a deadline set at 3 November. When no such information had been received by the evening of 3 November, we invoked Article 169 of the EEC Treaty and set in motion two procedures under the terms of failure to fulfil an obligation under the Treaty. One of these procedures is aimed at the requirement that all accompanying customs documents should be submitted in French; the other concerns the decision to concentrate customs clearance

Narjes

procedures for video recorders imported into France in Poitiers.

The French Government has until the end of this week to submit its observations under Article 169. In the light of those observations, the Commission will decide next week what further action to take.

A number of questions have been raised with regard to public works and supply contracts. I have said on previous occasions that this is in any case the most backward element of the internal market because, for a variety of reasons, there have so far always been virtually insuperable obstacles to effectively opening up the market for such contracts, and I can therefore confirm that there have been a number of moves — by no means only in France — to restrict public contract or publicly-influenced contracts to French or British products or whatever, but the evidence available so far has not been sufficient to justify proceedings being taken. If any Members should be in possession of such evidence, I should be happy to hear from them.

The same applies to what Mrs Theobaldi had to say about the lack of transparency in the ways in which decisions are taken and disguised protectionism. Here again, I would be very grateful to her if she could let me have some specific material, in which case we would of course take up the matter without further ado. We are also keenly interested in the question of the legitimacy of the introduction of a general obligation to indicate the country of origin. Usually, the French Government has told us that their textual material was not available. The obligation to indicate the country of origin of textile products is a special case for which the Commission has decided — consistent with previous proceeding of the same kind — to bring an action against France in the European Court of Justice, and another against the United Kingdom in a similar vein, the charges being supported by a reasoned opinion.

To round off all these individual measures, I should like to point out that the Commission regards it as its duty in this case — as in all other cases — to play its full role as guardian of the Treaties, regardless of whatever persons, companies or Member States may be involved. The reason why I make this point is because, following the discussion on the report produced by Mr Prout, I get the impression that there may be some doubt as to the determination on the part of the Commission to make full use of the instruments at its disposal.

Another motion for a resolution makes reference to the competitiveness of European producers of video-communications products. As regards the competitiveness of European producers, I can say that the Commission not only has every sympathy but also shares these concerns and the desire expressed in the motion for a resolution for a more comprehensive strategy in response to the Japanese offensive. I should also like

to say, though, that our observations have revealed no scientific or research lead on the part of the Japanese in this field, but rather a greater aptitude on the part of the Japanese industry to convert research findings quickly into marketable and competitive products. I believe that, whatever individual measures we decide to take, we should always bear this point in mind. If Mr Müller-Hermann has any definite grounds for his doubts on the dumping issue, we should be grateful if he would let us have them. We shall then take up the matter, regardless of the source of the information.

To come back to this subject, the best response to the danger of the European market coming under Japanese control is still the existence of viable and competitive European companies, capable of asserting themselves on the Community internal market and of using the Community as a base for operating successfully on world markets.

Generally speaking, the Community's industrial strategy must be aimed at retaining existing jobs and creating new ones because of course, we must never forget this essential link in all the measures we take, a link which we have been made particularly aware of in the current situation. That is why the Commission and the Community as a whole have done a great deal to facilitate trans-frontier cooperation within the Community.

However, the Commission deplores the fact that a number of directives — such as the one dealing with company law — and other measures which, if they had been adopted, could have greatly facilitated cooperation have taken so long making their way through the various stages of the decision-making process. This is a case in which the work of all our institutions could be speeded up so as to provide those parts of business with investment potential with better and more reliable outline conditions for trans-frontier mergers and cooperation than is the case at present. No doubt everyone is aware of the fact that a number of instances of inter-company cooperation have been abandoned over the last few years, not least because the existing legal, tax and social provisions were too different to enable such cooperative efforts to survive a crisis. In this respect, we all have a great duty to create the right conditions to ensure that such breakdowns in cooperation remain the exception to the rule and that provisions are laid down for cooperative enterprise. Here too, we must not lose sight of this matter.

Otherwise, as regards the internal market aspect of the European consumer electronics industry, I should like to point out that, in getting the ESPRIT programme adopted by the Council, the Community has created the right basis for work to commence on a research and development policy based on long-term and ambitious policy aims. I should also like to point out that, if we deny the value of a viable internal market, we shall have nothing to take its place.

Narjes

Mr Haferkamp has undertaken to report to Parliament on the foreign policy aspects.

Mr Haferkamp, Vice-President of the Commission. — (DE) Mr President, on a general point, I think the dangers of protectionism have been brought out clearly enough in the course of this debate. What worries me is the spirit behind the rising wave of protectionism, which is in essence a defensive spirit. But we have nothing to fear. Europe's economy did not become great by fighting rearguard actions, but by taking up the challenges of the day, and that is the kind of policy we should continue to pursue. We should not tolerate the imposition of protectionist measures to paper over the mistakes made in the past — be they entrepreneurial or political.

We have initiated proceedings against Japan in GATT, and we shall continue to pursue that line. We have conducted negotiations on the sensitive products mentioned by Mr Glinne, with the result that exports of such products to the Community fell by between 5 and 40% last year.

The exceptions to this rule, were, however, TV tubes and machine tools. In this respect, exports to France increased, compared with a fall for the Community as a whole. We shall continue these negotiations and stress the need for improved access to the Japanese market. As my colleague Mr Narjes said just now, we shall of course react promptly to any specific cases of dumping. Indeed, we shall do so with the greatest possible haste as soon as the requisite evidence is in our hands.

Mention was made just now of the French memorandum on trade policy, to which the Commission responded before the summer recess. We do not need any new instruments of trade policy. We already have Articles 113 and 114 of the EEC Treaty. What we do need are decisions on the part of the Council. For instance, when the Commission presents proposals for negotiations in the textiles sector, and the Council takes a total of eight meetings, spanning several months, to give us even a negotiating mandate, it is hardly surprising that the Community can do nothing effective on this matter.

(Applause)

Let us not pretend we do not have the necessary facilities. What it really boils down to is quite simply whether the Council has the will to reach a political decision, to give us the chance to enter into negotiations, to back us as the Community's negotiator and then reach a decision on the result of the negotiations. All that could be done very quickly and very effectively.

(Applause)

The scenario could be as follows. The Commission would present a proposal for negotiations in accordance with Article 113; we would draft a negotiating directive, and the Council would set itself a deadline. Should the Council fail to discuss the proposal within, say, 30 or 60 days, the proposal would be regarded as adopted, and we could then proceed with negotiations.

(Applause)

That would be a very simple matter, and the European Community would be able to negotiate as effectively with third countries as it did with the United States over the steel issue.

(Applause)

President. — The debate is closed.

Vote¹

President. — I propose that the motions for resolutions on natural disasters be dealt with without debate and put to the vote immediately before the motion for a resolution (Doc. 1-879/82) by Mrs Dury and others.

(Parliament agreed to the proposal)

I call Mr Beyer de Ryke.

Mr Beyer de Ryke. — (FR) Mr President, since you have referred to the fact that there is not going to be a debate on the motion for a resolution by Mrs Dury, I want to take this opportunity of expressing my amazement — although I am not going to question the decision of the House.

You know, it is surprising and in fact almost ludicrous that we can have a debate here about Somalia or Argentina. I am not criticizing in any way the substance of the motions that were tabled, but I do think it is odd that when we get round to a subject involving the Community we have to decide without a debate. It is not normal, it is not right, it is even ludicrous! The theatre of the absurd would be proud of this.

(Applause)

President. — Mr Beyer de Ryke, I have said that there is no such thing as a topical and urgent debate without debate. Mr Dankert has already made this clear. If someone wishes to speak, he must be allowed to.

I call Mrs Veil.

¹ See Annex.

Mrs Veil. — (FR) I think at any rate, Mr President, that the Rules of Procedure and the order of the urgent items should be respected. The speakers will have to be asked if they wish to be called to present the urgent motions that have been tabled. If we begin to ignore the Rules of Procedure, we shall be tabling more and more urgent motions in the morning, perhaps even 40 or 50. They will be put to the vote and the votes will be meaningless. In the case of urgent motions, you have to respect the principle of the idea. I am sorry that there are too many and that we may not have the time to discuss them all. But they should not be voted on in any old manner.

Natural disasters

President. — We shall now consider seven motions for resolutions on natural disasters:

- motion for a resolution (Doc. 1-852/82), tabled by Mr Puletti and others on behalf of the Socialist Group, on the earthquake which struck the region of Umbria on 17 October 1982;
- motion for a resolution (Doc. 1-858/82), tabled by Mrs Barbarella and Mr Ippolito on behalf of the Communist and Allies Group, on the consequences of the earthquake in Umbria;
- motion for a resolution (Doc. 1-855/82), tabled by Mr Barbagli and others on behalf of the Group of the European People's Party (CD Group), on the damage caused by the earthquake in Umbria and certain regions of the Italian Marche;
- motion for a resolution (Doc. 1-854/82) by Mr Lagakos and others on Community aid for the regions recently hit by the floods in Greece;
- motion for a resolution (Doc. 1-871/82), tabled by Mr Piquet and others on behalf of the Communist and Allies Group, on emergency aid following the violent storms in the south of France;
- motion for a resolution (Doc. 1-883/82), tabled by Mr Bangemann on behalf of the Liberal and Democratic Group, on financial aid to the storm-hit areas of France and Spain;
- motion for a resolution (Doc. 1-894/82) by Mr Fanti and others on the floods in Emilia Romagna, Tuscany and Liguria.

I call the Commission.

Mr Thorn, President of the Commission. — (FR) Mr President, I shall try to be as brief as possible. The

Commission is of course very sympathetic to the problems of populations struck by natural disasters. As an indication of its solidarity it endeavours, within the limits of its budget, to provide financial or technical aid when such disasters have grave consequences. However, I must emphasize, ladies and gentlemen, that Community emergency aid is, so to speak, symbolic and it is extremely difficult to define, in quantitative terms, a threshold of gravity above which Community aid should be provided. I would briefly remind you that the appropriations available for 1983 amount to 2 million ECU. Our request for an increase in the budget was rejected by Parliament itself. Consequently, Mr President, if every future disaster triggers off a request for Community aid, and if such aid is also expected to be extended to third countries, we shall be faced with serious difficulties.

If certain honourable Members are concerned to know why we have not reacted to one particular natural disaster or another — I believe questions were asked on 12 October with regard to Italy — I would point out that we first need to make enquiries of the government concerned in order to establish the extent of the damage and the requirements. In this particular case we are still awaiting the information promised by the Italian Government.

There is one further point which I would like to make, and it concerns natural disasters in Spain — a country which is not a member of the Community. It is a very delicate business to seek information from the Spanish Government with a view to granting aid when the government in question has not even requested our help. It would almost amount to interference in that country's domestic affairs. I have been very brief, Mr President, but that, I believe, was your wish.

Votes¹

Fees charged to foreign students in Belgium

President. — We shall now consider the motion for a resolution (Doc. 1-879/82), tabled by Mrs Dury and others on behalf of the Socialist Group, on the registration fees charged to foreign pupils and students in Belgium.

I call Mr Herman on a point of order.

Mr Herman. — (FR) It is now a quarter past one, Mr President, and we have now run 15 minutes over our time. I suggest that the matter be deferred until another occasion.

¹ See Annex.

President. — I call Mrs Veil.

Mrs Veil. — (*FR*) I am sorry to have to raise another point of order, Mr President, but I do believe there are Rules of Procedures and these motions were listed in a certain order during yesterday's sitting. I must confess that I do not know whether I should have voted in favour of Mrs Dury's motion for a resolution or not, although I did vote for all the resolutions on natural disasters and for the other two as well. We have to respect the order of priority, and I mean this for the future. It is not a good idea to go against the Rules of Procedure yet again. That is the only reason I am speaking out.

President. — I do take note of what you have said, Mrs Veil, because I agree with you. However, the House decided this morning that the motions I am putting to the vote had to be dealt with without debate before the end of the morning sitting. I grant you it is an unusual procedure but that was the decision of the whole House this morning.

I call Mr Glinne.

Mr Glinne. — (*FR*) The motion is down as being without debate. That is what we agreed. If I understand correctly the ruling from the chair, however, the Commissioner himself is not entitled to speak — and it is to the Commission that this motion is addressed. As far as the authors of this motion are concerned, the important thing is to have the Commission's answers to the questions that have been put to it. As a result, I should be delighted if we could agree to the following: let us restrict the list of speakers to the authors of the motion, the authors of amendments and — so that we can hear its reply — the Commission.

President. — Mr Glinne, it is now 1.15. Mrs Dury wants to speak. You are expecting the Commission to give a reply. Mr Mart has indicated his desire to speak and Mr Beyer de Ryke, if I understand him rightly, also wants to say something. Since there can be no agreement about not having a debate, I am left with no choice but to adjourn the item.

I call Mrs Dury.

Mrs Dury. — (*FR*) Mr President, you have already gone against the Rules of Procedure by putting to the vote an item which was listed after my motion for a resolution. I insist that my motion for a resolution at least — and I mean, at least — be put to the vote, and I also want — and there are several people here who second me on this — to hear the Commission's opinion on the motion from Mr Richard. Mr Thorn spoke on the subject of natural disasters and I see no

reason why we should not hear the Commission on the matter I have raised.

(*Applause*)

President. — The situation is now as follows. In accordance with the Rules of Procedure I cannot prevent anyone from speaking. However, the time has run out. You said, correctly, that it was an unusual procedure to put to the vote motions for resolutions which ought to have been taken later on the list, but this was agreed to by the House this morning. I can make two proposals: either we adjourn the debate until three o'clock — which is what you do not want — or else we can get on with the debate now. First of all, however, I must ask the interpreters if we may continue until half past one.

I call Mrs Dury.

Mrs Dury. — (*FR*) I am willing to forgo my right to speak but I should like to hear Mr Richard and to have the motion put to the vote. Many officials of the European Parliament are affected by these measures and I would ask those who have to stay on and work until half past one to support them on this.

President. — Are there ten Members who wish to move the continuation of the debate?

(*More than ten Members rose*)

I call Mrs Dury.

Mrs Dury. — (*FR*) If the other Members are going to speak, I just want to explain quickly the reason behind my motion for a resolution. The Belgian Government is about to take a final decision, and that is why the matter is urgent.

President. — I call Mrs Veil on a point of order.

Mr Veil. — (*FR*) Mr President, I think there is complete confusion here, and in view of the importance of this matter I want to get things straight. Even if we accept the idea of not having a debate — and the idea has still to be accepted, although of course each speaker can decide not to speak — this does not mean that the items of the agenda, without debate, can be called before other items, because if Mrs Dury's motion had come at the right time before the motions without debate, we should not be in this situation now. This is the only reason why I voted just now in favour of continuing the sitting, even though, on this point as well, I think it is a bad idea to go against the Rules of Procedure, which is what we are doing all the time, and we are getting in a frightful mess. We shall deal

Veil

with Mrs Dury's motion for a resolution, but there is no need to play around with the order of the urgent debates.

President. — I agree with you entirely, Mrs Veil. I have already said so twice. Unfortunately, however, the House decided differently this morning. We shall ask for a ruling on this matter from the Committee on the Rules of Procedure and Petitions.

I call Mr Marck.

Mr Marck. — (NL) I can be brief, Mr President. Mrs Dury says that the Belgian Government has to take a decision. The Belgian Government has decided, in the sense that the circular we are talking about has been withdrawn and an inquiry is to be made, during which the Commission of the European Communities will be consulted. I feel that this is fully in line with the amendments I tabled.

President. — I call Mr Beyer de Ryke.

Mr Beyer de Ryke. — (FR) Mr President, I take the same view as Mr Marck. I feel that Mrs Dury's motion for a resolution is too blunt. That is why I took the liberty of tabling two amendments. The fact is that Belgium or the Belgian universities should not become a kind of Salvation Army hostel for students who are often well off and who come, in particular, from Germany.

Let me say by way of reply to Mrs Van Hemeldonck — who seems to be in disagreement — that these provisions do not apply in fact to poor countries or to Third World countries. The Belgian State pays all their fees. As a result, we have to know how to be reasonable about this. Of course, we want foreign students; but we do not want to be paying out for the restricted number of university places in other countries of the Community. That is the drift of my amendments.

President. — I call the Commission.

Mr Richard, Member of the Commission. — The Commission welcomes the tabling of this motion for a resolution and the debate to which it has not given rise. Written questions on the subject have already been tabled by individual Members. I am glad to see that a wider interest is now expressed.

As the draft resolution notes, the Commission has already opened proceedings against the Belgian Government in accordance with Article 169 of the Treaty, as Belgian policy in practice infringes Community law. Under Community law the position of

foreign students varies, depending on whether they are the children of migrant workers, whether those workers are the nationals of Community Member States, whether they are students wanting to move from one Member State to another for the purposes of study, and so on. The Article 169 proceedings concern specific infringements of Article 48 of the Treaty and Regulation 1612/68 on the free movement of workers.

In general terms, the Commission considers that an important Community principle is at stake and that Belgian policy and practice in the matter of the payment of course fees is contrary to the spirit of the EEC Treaty. Moreover, we consider that discriminatory attitudes in educational matters towards the children of resident foreigners are contrary to the social policy of the Community and to undertakings made by the Community and the Member States. When attention is understandably focused on matters such as the appalling unemployment situation and the restructuring of the steel industry, there is a risk that problems like this one, which are perhaps of a less pervasive nature, receive less attention than is their due. The Commission considers that the principle of non-discrimination is a fundamental pillar of the Community and is therefore grateful to Parliament for drawing attention to this matter.

(Applause)

President. — The debate is closed.

Vote¹

President. — We have now come to the end of the topical and urgent debate.

(The sitting was suspended at 1.30 p.m. and resumed at 3.30 p.m.)

IN THE CHAIR: MR MØLLER

Vice-President

4. Commission statement

President. — The next item is the Commission statement on measures to promote sales of butter.

¹ See Annex.

President

I call the Commission.

Mr Dalsager, Member of the Commission. — (DA) Mr President, as my colleague, Mr Andriessen, told Parliament on Monday I intend today to make a statement on the Commission's decision to promote butter sales. This morning I had an opportunity to meet Parliament's Committee on Agriculture to discuss this matter, so I will keep my remarks to the House brief.

At its first part-session in October, Parliament adopted a resolution on measures to promote butter sales based on a motion from Mr Bocklet and others. The Commission has studied this resolution carefully, and I can inform Parliament that, at its meeting on 3 November 1982, the Commission decided on a number of measures both for butter and for the dairy sector in general. Parliament's President and the Chairman of the Committee on Agriculture were informed immediately of these decisions.

Against the background of increasing milk production in the Community in 1982 and the attendant increase in butter production, the Commission considers that in the short term there is a need for two types of measures, the first to ensure reasonable sales of butter stocks, and the second to prevent excessive stocks forming again. Firstly, we propose that more aid be given to promote butter consumption in the Community. The Commission has decided to sell 120 000 tonnes of butter as soon as possible at a reduced price. This so-called 'Christmas butter' will receive a subsidy of 130 ECU per 100 kg, which corresponds to approximately one-third of the wholesale price. This represents a higher subsidy than the existing export refunds of 125 ECU per 100 kg. In this way consumers in the Community will benefit more from the butter surplus.

In addition, the Commission proposes an increase of one-third in the subsidies for so-called 'social butter' for persons on social security. The sale of butter at a reduced price to industry and to institutions is progressing satisfactorily, and we are currently investigating whether more can be done in this field.

The use of milk powder in feedingstuffs is also being promoted by extending the sphere of application of the financial aid.

Regarding the proposal in Parliament's resolution that for each kilogram of butter purchased, one would receive half a kilogram of intervention butter free of charge, let me say that the Commission examined this possibility carefully but came to the conclusion that for legal, technical and economic reasons it would be difficult to carry out the 'Christmas butter' campaign satisfactorily in this way.

Secondly, we propose promoting the sale of butter through exports. We no longer think that butter should be the only agricultural product which may not

be exported to the Soviet Union. In agreement with Parliament's resolution we want to ensure that the Soviet Union does not obtain more favourable conditions than other third countries. Butter exports in general, and hence also any such exports to the Soviet Union, will therefore be carefully supervised within the framework of a tendering procedure providing for the possibility of control with deadlines, quantities and selling prices. As regards the timing, the Commission did not wish to start the new export scheme until it had had an opportunity of informing Parliament about butter sales to the Soviet Union in accordance with an undertaking given earlier. It was the Commission's wish that the short-term measures to promote butter sales should be followed up by long-term measures to solve the underlying problem, which is in fact the increasing milk production. That is why the Commission independently, and before our proposal on next year's common prices, has proposed a reduction in the intervention prices for milk from 1 April 1983, and in this way the farmers will contribute towards bearing the costs of disposing of the rising milk production.

I am pleased to have had this opportunity to present the Commission's proposal both to the Committee on Agriculture and to the House, and I think that, with this, the Commission has reacted quickly and positively to the Bocklet report, as well as fulfilling its earlier undertaking to inform Parliament about any decisions to change export policy. At the same time, I would like to state that the practical administration of the export of agricultural products is still the sole concern and responsibility of the Commission.

President. — This statement by Mr Dalsager is made in accordance with Article 40 of the Rules of Procedure. It will not be followed by a debate, but brief and concise questions may be asked.

I call Mr Aigner.

Mr Aigner. — (DE) Mr President, the Committee on Budgets last year unanimously approved the proposal to reduce the butter surplus by granting our citizens a pound of free Christmas butter, and submitted this proposal to the Commission for examination. Mr Dalsager, you told me personally that the proposal was very interesting and that you had set up a Working Party. However, I have found no trace of this Working Party in the Commission, and when I requested the competent official to put the Committee's decision up for discussion, he told me that he had not even received Parliament's decision. The Commission has not examined Parliament's opinion, Mr Dalsager, and you have misinformed me.

President. — I call Mr de Courcy Ling on a point of order.

Mr de Courcy Ling. — Mr President, I am sorry to interrupt rather serious proceedings on what is really a point of procedure, but it is well-intentioned, I assure you and I assure the House.

There was a serious problem here on the occasion of the voting on the Vredeling proposals a month ago when the Socialist Group was not informed of the vote. This is an important statement by the Commissioner, one of the most important statements we have had for some time from the Commission with various serious implications, particularly for the United Kingdom and France, and I suspect, Mr President, that the Socialist Group Members have not been informed or that they have not read their agenda.

I propose, Mr President, that the sitting should be suspended for five minutes in order to permit the Socialist Group to come. I fear that the Socialist Group Members are occupied elsewhere and I think we owe it to them that they be given the chance to come to the Parliament to take part in these interesting proceedings.

President. — Mr de Courcy Ling, the Socialist Group is aware of the agenda for this afternoon's sitting, and I cannot postpone the debate because the group has not turned up.

I call Mr von der Vring on a point of order.

Mr von der Vring. — (DE) Mr President, I can inform the House that the Commissioner's answer has been known to Members since yesterday. Those who want to ask questions are present.

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

Mr Eyraud. — (FR) In my capacity as rapporteur on the co-responsibility levy, Mr President, I should like to repeat what Mr von der Vring has just said, namely that the Commissioner's statement is known by the Socialists. I did wonder whether the honourable Member who spoke just now was really well-intentioned — as he said he was — or whether he was simply trying to hold up the debate. Let me add that there was supposed to be a joint debate on the Mouchel report, my report and the statement by Mr Dalsager, and I should be pleased if we kept to the agenda as planned.

President. — I call Mr Fuchs.

Mr Gérard Fuchs. — (FR) I must confess I have not quite understood — and this is a question for Mr Dalsager — whether in fact butter was sold to the Soviet Union or not and, if so, how much.

President. — I call Mr Hord.

Mr Hord. — Mr President, I would like to ask the Commissioner what he is going to do about Parliament's resolution this morning in regard to full consultation with the parliamentary committees, as was pledged to this House by former Commissioners Cheysson, Gundelach and Jenkins. And could he advise this House what the Commission is doing about reported bilateral sales by the French Government to the USSR of agricultural produce? Furthermore, would he bear in mind that in the Bocklet report Parliament stated categorically that further sales of subsidized butter to the USSR would be an affront to the European taxpayer?

President. — I call Mr Bonde.

Mr Bonde. — (DA) Can the Commissioner give us an assurance that that part of the co-responsibility levy collected from our farmers is in fact being used for the purposes for which the money was intended, and not for all kinds of other purposes? If this is not the case, can he assure us that the money is being channelled back to the farmers or that there is going to be a change in the Treaty, so that any special tax on farmers can form part of the general budget on an adequate legal basis?

President. — I call Mr Woltjer.

Mr Woltjer. — (NL) Mr President, I have two questions for the Commissioner: firstly, perhaps he could tell me what has happened to the Committee's proposal concerning the introduction of a tendering system. This morning the Commissioner informed the Committee on Agriculture that the tendering system would be applied in particular in the case of butter for Russia. I remember writing a report on the Commission's proposal concerning the tendering system and I would like to ask what the Commission has done in connection with this report and if it can let us know whether several countries come into consideration for a tendering system or whether the Commission intends to introduce a general tendering system. This is the first question. My second question is: can the Commissioner tell me how he intends to bring about a reduction in the intervention prices which the Commission proposes should take effect as of 1 April 1982 when, on the other hand, mention is also made of price increases during the same period? At the same time I would like to ask why the Commissioner and the Commission have not reduced the intervention prices as of now; in my opinion the Commission should reduce prices now because production is already in excess of targets.

President. — I call Mr Tyrrell.

Mr Tyrrell. — Mr President, I would like to ask the Commissioner whether I heard him correctly when he

Tyrrell

said the Commission had 'decided'! Is he aware of the difference between consultation before decision and consultation after decision? I heard him say, I thought, that Parliament had been informed. Does he know the difference between information and consultation? Why is this statement being made today, on Thursday of the Parliament week, when the press were informed on 4 November? I would like to ask him also whether this matter has been referred to the management committee.

President. — I call Mr Bocklet.

Mr Bocklet. — (*DE*) Mr Dalsager, you explained to us that you had considered Parliament's idea for Christmas butter but that there were reasons for not going ahead with the scheme because it was unfeasible. Unfortunately you did not tell us what the reasons were. I would therefore ask you to outline the reasons to the House. You also said the proposal had been looked at. I should really have liked to know how you looked at it. There are various ways, you know, of taking a serious look at such a proposal. Thirdly, I should like to know the extent of the resources from the co-responsibility levy which are going to be used for the distribution of Christmas butter.

President. — I call Mr Maher.

Mr Maher. — Could the Commissioner give us an idea of the effect on dairy farmers' income, particularly that of small dairy farmers, of the reduction in intervention prices which he proposes to make? Secondly, if he cannot sell this butter to Russia, where will it be sold? Will it have to be stored, and in that situation will it be more or less expensive? And would the Commission propose to take action to prevent the proposed importation of New Zealand butter — all 80 000 tonnes of it — which would make for a very serious surplus within the Community?

President. — I call Mr Vernimmen.

Mr Vernimmen. — (*NL*) Mr President, I must honestly say that I don't understand what is happening since it was agreed that any problems and questions should be discussed during the debate on the report by Eyraud and others. Consequently, the questions now being put require some justification. I agree with the Commissioner's standpoint as regards the report which I wrote last year, in which the Committee on Agriculture very closely stipulated the conditions for the sale of butter to the Soviet Union. I would simply like the Commissioner to clarify what is meant by the expression 'social butter'. I think that the concept must be defined somewhere because various Member States are obviously of unaware of any such definition, which

indeed I think is important in connection with the promotion of butter consumption.

President. — I call Mr Pearce.

Mr Pearce. — Would the Commissioner please tell us how the Christmas butter is going to be made available to the public and how the consumers will recognize that it is Christmas butter when they see it in the shops? What guarantee will there be that the subsidy is passed right down through the system to the final consumer?

President. — I call Mr Enright.

Mr Enright. — How much account has the Commissioner taken of the fact that the United States of America is likely to treat us in exactly the same way in the matter of agricultural products as it has over steel? Is this not going to lead now to the absurd situation in which the USA and the EEC vie with each other to sell the cheapest butter to Russia?

President. — I call Mr von der Vring.

Mr von der Vring. — (*DE*) Mr Dalsager, in view of the findings of the Court of Auditors for 1979, is it true that the Christmas butter plan will mean a net increase of only 40 000 tonnes instead of 120 000 tonnes, because normal consumption has dropped by 80 000 tonnes?

Mr Pranchère. — (*FR*) Mr President, I should like to ask Mr Dalsager a very precise question. There can be no denying, after the statements made by the French Minister for Agriculture, Madame Cresson, after her visit to the Soviet Union, that the Soviet Union buys large quantities of butter. I should therefore like to know whether he intends, on the basis of the principles applied to date, to take the necessary steps to ensure that Community butter can be bought by the Soviet Union or indeed any other country — I am thinking in particular of Algeria and the developing countries. Also, does he not consider that the time has come to reject the pressure from the British Conservatives, who are more 'Reaganist' than Reagan himself since Reagan himself is trying to win back the Soviet market, and does he not further consider that the British have no right to adopt such a haughty attitude to this problem when they themselves prefer to buy 80 000 tonnes of butter from New Zealand rather than the Community?

President. — I interpret what the Rules of Procedure say about brief and concise questions as meaning that

President

one should avoid making verbal attacks on other Members who are present.

I call Mr Paisley.

Mr Paisley. — Is the Commissioner aware that Northern Ireland has not been able to get recent concessions on everything from butter to bakeries because of the situation in the province? Could he give me an assurance that this concession will be made available to the people of Northern Ireland? Could he also bear in mind that the people of Northern Ireland, having more unemployment and more old-age pensioners than any other comparable part of the Community, are outraged that they cannot get this butter while Soviet citizens can?

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

Mr Tolman. — (NL) Mr President, I do have a question to ask you because I must say that I do not understand what is going on. My agenda refer to a statement by Mr Dalsager and not to a debate, whereas everyone is taking the opportunity to put fundamental questions. Mr President, could you explain to me what is meant by 'without debate'? If the Commissioner is to answer all the questions which have been put to him to the best of his knowledge it will take him a good hour. Considering that — in view of the lengthy questions — you have made it clear to me what 'without' means, I would request you to ask the Commissioner to answer the questions at one go, immediately after the two other topics — the Mouchel and Eyraud reports — have been discussed. I hope all those who have asked questions will remain seated during this debate and learn a lot of new things.

President. — Mr Tolman, that was more of a point of order. I would point out that, when the agenda was being drawn up, the Chairmen of the groups agreed that this should be a statement without debate. However, I cannot let this agreement stand in the way of Rule 40 of the Rules of Procedure, which says:

Unless Parliament decides otherwise, such a statement shall not be followed by a debate. Members may, however, avail themselves of a period of 30 minutes in which to put brief and concise questions with a view to clarifying specific points in such statements.

That is what we are now doing. I call Mr Clinton.

Mr Clinton. — I wonder if the Commissioner, when he is replying, would, for the benefit of those Members of the House who either have not heard or do not want to listen, repeat that exports of butter to the USSR will get refunds only at the same level as any

other third-country destination. Will he confirm also that it would be quite impossible to operate a vigorous export policy if he had to come to this House on every occasion when he wanted to export butter to certain destinations and ask to be allowed to do so, when it is the Commission's absolute responsibility on its own to manage the market without coming to this House?

President. — I call Mr Marshall.

Mr Marshall. — Has the Commissioner come to this House in order to consult with us, as frequently promised, or has he come to present us with a *fait accompli*? If it is the latter, then his statement is an insult both to this House and to the people of Europe. Does he realize that many people regard subsidized exports of butter to Russia with complete distaste? The question for many electors in Europe is not whether the refunds on exports to Russia are the same as refunds to the Third World; many people feel there should be no refund at all on exports of butter to Russia. I feel he ought to be aware of the very intense feeling amongst many people on that subject.

President. — I call Mr Früh.

Mr Früh. — (DE) Mr Dalsager, our question covered three problems: Christmas butter, butter for small bakeries and export butter. I have heard nothing on the second of these problems, butter for small bakeries. Have the possibilities been looked into? I know there are problems in establishing controls, but in the Federal Republic we have large cooperative wholesale purchasers such as BEKO. Could not BEKO take delivery of a large quantity of butter from the Commission on behalf of hundreds of bakeries? BEKO would then be responsible for controlling the distribution and would be required to prove to the Commission that everything had been done by the book.

President. — I call Mr Davern.

Mr Davern. — While thanking the Commissioner for the courtesy he has extended to the House and to the Committee on Agriculture, may I ask him whether he would get on with the job of selling this butter to whoever wants it, in view of the fact that this Community obeyed the embargo put on Russia two years ago while New Zealand and America, through New Zealand, sold 100 000 tonnes of butter there? I would urge the Parliament to give its approval and be a Europe of reality.

In regard to what Mr Paisley said, we in the ruling party in Ireland will take up his complaint and will ensure that the people of Northern Ireland get butter.

(Applause)

President. — I call Mr Gautier.

Mr Gautier. — (*DE*) Mr Dalsager, can you confirm that the political ally of the British Conservatives, President Reagan, is subsidizing American grain sales to the Soviet Union through export credits and other means?

President. — I call Mr Adam.

Mr Adam. — I would like to ask the Commissioner a question about this. Has he considered, instead of wrapping this butter in greaseproof paper, wrapping it with a steel pipe?

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

Mr Israël. — (*FR*) Mr President, I should like to know whether what I suppose I have to call a debate is going to go on. Is this debate going to last until five past, ten past or a quarter past four, until half past four or five o'clock? We should like to know. Some of us here really want to keep to the agenda and, like Mr Tolman, we saw that there was not supposed to be any debate on this.

President. — Mr Israël, according to the Rules of Procedure Members are entitled to 30 minutes per question. We have taken 23 minutes and 40 seconds and there are no more speakers down on the list.

I call the Commission.

Mr Dalsager, Member of the Commission. — (*DA*) Mr President, I am very grateful for the opportunity to make this statement to Parliament, and also for chance to answer the large number of questions which have been asked. I hope I have noted them all in more or less the order in which they were asked. I might perhaps add that this morning I had a two-hour meeting with Parliament's Committee on Agriculture, where a large number of the questions asked here were also raised. There were also other questions which, as far as I could see, were answered satisfactorily, since I had the impression that the Committee on Agriculture's members were very satisfied with the discussion of the issue which is now on the agenda.

Mr Aigner asked me why we did not investigate — or so he maintains — the possibility of implementing the programme Parliament suggested, i.e. to give a half a kilogramme of butter away free with each one kilogramme of butter sold. I am very much in favour of this idea, because in my view one would sell more butter in this way than through the scheme we are now proposing. I can assure Mr Aigner and others who

have asked about this that we really did examine the matter. Both in my own service and in the Management Committees on which the national representatives sit, we examined the possibility of carrying out the Christmas butter sales in the manner you proposed. I was assured repeatedly that it was not possible, and certainly not in the current situation where it is gradually becoming urgent to market the butter quickly.

Mr Fuchs asked if butter had been sold to the Soviet Union, and I can say that it has not. I have attached great importance to ensuring that no arrangements whatsoever for the sale of butter to the Soviet Union should be introduced before I fulfil the undertaking given by former Commissioners that there would be no sales of butter to the Soviet Union without first informing and discussing the matter with Parliament.

Mr Hord asked me about full consultation. I do not know what 'full consultation' is, but I would like to point out that I have missed no opportunity of keeping Parliament's Members informed. I have never missed any opportunity to be available for any form of procedure Parliament wished. On the very day that the Commission took its decision to bring the matter before Parliament, I informed the Committee on Agriculture's Chairman by telephone, and the following day I informed him in writing. In the same way, the President of the Commission informed the President of Parliament by telephone — it is true it was not possible to reach him personally, but his *cabinet* was available — and the following day Parliament's President was informed in writing of what we intended to propose to Parliament. Later, in a communication to Parliament's President, I outlined the matter to him once again and at the same time asked him for an opportunity to present the Commission's views to Parliament. After that I requested — and was lucky enough to obtain — a meeting with Parliament's Committee on Agriculture here this morning, so I believe I can quite rightly say that no opportunity has been lost to keep Parliament duly informed of the Commission's views on this question.

Then Mr Hord asked me about the bilateral agreements between France and the Soviet Union. I cannot confirm that there is anything about butter in these agreements. At any rate, the documents available to me make no mention of butter. The Commission is dealing with these agreements or correspondence, and only yesterday, at a meeting here in Strasbourg, the matter was on the Commission's agenda. We are continuing to investigate the matter and to obtain new information. For that reason, I am not in a position to provide any more information on this matter than I have already done.

Mr Bonde asked if the co-responsibility levy was being used for the intended purposes. I don't know what Mr Bonde thought, but it has never been the Commission's intention that the co-responsibility levy should

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be used solely for specific purposes. We use quite a large amount of the co-responsibility levy for these special sales measures, but we have always held the opinion — and the farming organizations and Parliament have been informed of this — that that portion of the co-responsibility levy which was not used for these special sales measures was included in the normal budget for the sale of dairy products, which is still enormous compared with other expenditure in the agricultural sector. The Commission has always held the opinion that this co-responsibility levy should also be used to promote sales in the normal market for dairy products.

Mr Woltjer asked what had happened regarding tendering procedures. Nothing has happened, because the nature of the matter and the Commission's view are such — and I believe that this is also Parliament's view — that nothing can be done about tenders before the procedure which we have gone through here today and in the previous hours and days has been completed. But it is correct to say, as Mr Woltjer interprets it, that when we start this tender procedure, it will not necessarily be just countries which can submit bids — other interested bidders may also be considered.

With regard to co-responsibility and the reduction in prices which the Commission has also proposed to the Council — and which will of course be sent to Parliament for an opinion — the Commission has envisaged that the price negotiations on 1 April will obviously produce an increase of one form or another for all products in the light of the various factors involved in this price fixing. When prices have been formally fixed they will be reduced by the 2·2% by which the Commission has proposed reducing the intervention prices, so as to have a system whereby farmers share responsibility for any increase in production which exceeds the stated production target which the Commission and the Council will be fixing during the price negotiations in April/May.

Mr Woltjer also asked why we do not reduce prices as of now. I do not think it would be possible to obtain the Council's approval for this, and I doubt very much if it would be possible to get Parliament to support us in proposing a price reduction in the middle of a dairy year and in the middle of a year for which prices have been fixed. I do not think this would be at all possible, and it was not my intention to proceed in this manner. It was not the Council's intention either, so I really do not think that this would be Parliament's wish.

Mr Tyrrell says that the Commission has taken its decision and asks why I came here today when the press was informed as early as 4 November. Parliament's President and the Chairman of the Committee on Agriculture were informed before the press — by telephone, it is true, but in any event at the same time as the press was informed. It is clear that every Commission meeting is followed by a press conference where the Commission's decisions are made known to

the press. What the Commission decided on 4 November was that it would now go to Parliament with this decision, as it was obliged to do, and as it has now done.

Mr Bocklet asked the same question as Mr Aigner, and I think I have already answered it. He also asked what proportion of the funds from the co-responsibility levy would be used for this purpose. It is my impression that COPA, the farmers organization, does not feel the co-responsibility funds should be used for this purpose. For this reason, the Commission will take the funds from the normal budget, which this year is fortunately structured in such a way that it is possible to find this money without getting into budget difficulties.

Mr Maher asked what effect the reduction in intervention prices would have on small farmers. Last year we introduced special measures to help small farmers who are subject to the same co-responsibility levy as big farmers. I do not know if this measure will be continued in the coming year. We have not yet finalized our price proposals, and I therefore cannot say at this stage what the Commission will propose or what the Council or Parliament will decide in due course on this matter.

Mr Maher also asked what we would do with the butter and what the storage costs would be if the Soviet Union does not want to buy it — and it is clear that we do not even know if the Soviet Union is interested in buying our butter. It is well known that storage costs for butter are rather high, and the cheapest method of combating our surplus problems is to sell the butter as fast as possible, and that means irrespective of whether it is to the Soviet Union or to another country. That is the cheapest possible method of disposing of the butter. I do not think we should start the New Zealand discussion again. You are all acquainted with the situation, and you know what political obligations the Community has and how useful cooperation with New Zealand has been for the whole third country market for butter.

Mr Vernimmen asked for more information about 'social' butter and indeed only this morning, in the Committee on Agriculture, I gave an assurance that I would write to them outlining at least the extent of the social butter scheme and why we think more use is not made of it.

Mr Pearce asked how consumers will recognize the Christmas butter. I find it rather difficult to imagine that there are consumers in the Community who are not closely following the discussions which have been taking place and the newspaper articles and debate there will be on this proposal, to the extent of not realizing that there is cheap butter in the shops. At least I am certain that the shops throughout the Community will do all they can to sell as much of this butter as possible, and I do not believe that there should

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be any problem in drawing consumers' attention to this. Previous experience has shown that consumers are very attentive to phenomena such as Christmas butter.

A question was asked about the USA and butter stocks. We don't know what the Americans are really going to do with their butter stocks. The Americans have not normally been exporters of dairy products to third countries and we consider it unlikely that the USA, which was so critical of the Community for entering markets where we had not previously been, should choose to do that. However, I am of course well aware of the rumours that they will do this, and if done on a large scale it will destroy the international butter and dairy produce market for a long time.

One speaker asked if Christmas butter meant an increase in consumption. We have always known that Christmas butter campaigns did not sell substantially more butter, and that this Christmas butter largely replaces normal butter purchases. We don't know how large the percentage will be, but there will be a certain effect in the form of extra sales of butter on the market when we introduce this measure. However, it is also to some extent a political measure in deference to the oft-expressed wish that the Community's own consumers should also once in a while benefit from the fact that we have some stocks which we would like to sell. Thus, we have opted again this year, as in previous situations, to offer consumers a price reduction.

Mr Pranchère mentioned Mrs Cresson and the Soviet Union. I have no further information other than that which I have already given about the visit of the French Minister of Agriculture, Mrs Cresson, to the Soviet Union. I do not know what they discussed. I have no intention of becoming involved in Mr Pranchère's rather aggressive remarks to the Conservative Group.

Mr Paisley was rather dissatisfied that bakeries in Northern Ireland did not enjoy this special butter offer. I have no knowledge of that. I am prepared to investigate what might have caused this, and I hope that it will be possible to ensure that our various measures to reduce butter prices are effective in Northern Ireland as well, also in the case of pensioners and the poor, as Mr Paisley pointed out.

I can answer Mr Clinton's question in the affirmative. If and when we sell butter to the Soviet Union it will be on precisely the same terms as to all other third countries. The Soviet Union will not receive higher subsidies, and it will have exactly the same opportunity to buy butter in the Community as other countries. Next, I will confirm Mr Clinton's opinion — which I share — that the Commission cannot of course come and ask Parliament every time we have to introduce a measure to manage our markets. This is the Commission's sole responsibility. However, this is a very special situation, and the Commission naturally feels

under an obligation, also because of promises which previous members of the Commission had made to Parliament, and it is this obligation which I now feel that I am fulfilling here.

Mr Marshall asked if I have come here to consult you or to present a *fait accompli*. Nothing at all has been either said or written about commencing sales of butter to the Soviet Union. I have submitted the Commission's decision so as to consult, deliberate with and inform Parliament about this very special situation. That is what I have done. I had a long discussion with the Committee on Agriculture this morning. Henceforth, it is up to the Commission to take whatever further steps are necessary as regards exports etc. to the Soviet Union or elsewhere.

Mr Früh asked about small bakeries. I have already assured Mr Früh once today that we are examining to what extent this is possible; but it is also an administrative and auditing question. The question is how we can monitor it. Mr Früh himself maintains that there are possibilities. We will examine if these possibilities do in fact exist.

Next, I can confirm to Mr Gautier something which we all know. I don't know why he mentions it, namely the fact that the USA sells large quantities of grain to the Soviet Union, just as the Community does in fact, without this having led to any major debate. We sell all kinds of agricultural product to the Soviet Union, excluding butter. We sell millions of hectolitres of wine, we sell beef, we sell all kinds of fodder and fodder grain. Butter alone has been considered a special product which should be dealt with in a special manner. This is what has been done.

Thank you for allowing me the time to answer, as I hope I have done, all the questions asked.

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

Mr Enright. — Mr President, yesterday evening it was decided to alter the Council Question Time. I would like to draw to your attention to the fact that under Rule 44 that should not have been possible because that is a decision which has to be referred to the Bureau. It is only on the basis of a proposal from the Bureau to this House, not from the acting President to this House, that the times of question time can be changed. I think that strictly, under the Rules of Procedure I could therefore demand that that vote be declared invalid. That I will not do because I think it would be absurd. Nevertheless, the reason why we took the vote on the Sutra report was admirably given by my friend, Georges Sutra, and I would like to propose therefore that we be consistent with the argument that he put forward which was that, because important agricultural interests were going to be absent for today's vote, we should not discuss that important

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agricultural matter. Therefore, under Rule 87, I would like to propose that we defer the report by Mr Mouchel and the report by Mr Eyraud, on behalf of the Committee on Agriculture, to 17 December.

President. — I call Mr Curry to speak against the proposal.

Mr Curry, chairman of the Committee on Agriculture. — Mr President, the Committee on Agriculture is trying to move the constitutional authority of this House one step forward, and we are trying to do so by taking the initiative instead of merely reacting to proposals. We are not trying to take over from Mr Dalsager the administration of policy, because administration belongs to administrators: the job of politicians is to give the guidelines to that administration.

Mr President, we are seeking to introduce the initiative of this Parliament into the political framework of the Community. We are doing this on farm prices, and those prices are intended to be published at the beginning of December.

We have for the very first time done a report on guidelines. If we do not vote on it in this part-session, Mr President, we might as well not have gone to the trouble of doing it at all: it would be absurd to do that and a great step backwards for this House.

I believe in the power of this House. I do not believe that this House is ready to occupy the peaks of authority, but I think we should make an attempt to conquer the lower slopes of authority, and this Mouchel report is a step in that direction. I am therefore categorically and firmly against a proposal which seems to me to destroy the whole purpose of the existence of this Parliament.

(Applause)

President. — I call Mrs Boserup to speak in favour of the motion.

Mrs Boserup. — *(DA)* Mr President, ladies and gentlemen, I am not a member of the Committee on Agriculture and am therefore blameless. I support Mr Enright's proposal because I think that the Mouchel report is an ill-timed attempt to exert pressure in an area where it should not exert pressure. Parliament thinks that it has some power. It does not have the power, and it should not have the power. It is the Commission's task to fix prices on the basis of objective criteria, and for this reason it is my wish that the Commission should do this without Parliament's interference.

(Interruption from the European Democratic Group)

Gentlemen, I love you all.

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

Mr Israël. — *(FR)* Mr President, I do not think that you can put Mr Enright's proposal to the vote. Our Rules of Procedure, I think it is Rule 86, stipulate that a debate can be interrupted, but it cannot be interrupted if it has not been started.

Mr Enright has made a proposal to amend the agenda. However, this has been adopted and cannot be amended.

(Applause)

President. — Mr Israël, I draw your attention to Article 87, paragraph 1:

Before or during a debate on an item on the agenda, any Member may move that the debate be adjourned to a specific date and time.

Under this Rule, and before the debate on Mr Mouchel's and Mr Eyraud's reports, Mr Enright has proposed that this debate be postponed until 17 December. That is what we shall now decide.

(Parliament rejected Mr Enright's proposal)

I call Mr de Courcy Ling.

Mr de Courcy Ling. — Mr President, I hesitate to call this a point of procedure but I suppose I must.

Mr Dalsager failed to answer Mr Pearce on the question of how to identify Community butter. This is a very important point for the public. Will the Commission please write a memorandum within the next two weeks describing the system and describing how consumers in the European Community will be able to identify this Christmas bonus? It has more political importance than Mr Dalsager understands, and he has a responsibility to the public.

President. — Mr de Courcy Ling, you cannot put supplementary questions.

5. *Agricultural prices (1983-84) — Dairy sector*

President. — The next item on the agenda is the joint debate on two reports:

— report (Doc. 1-837/82), drawn up by Mr Mouchel on behalf of the Committee on Agriculture, on the European Parliament's position on

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the framing of the price proposals and related measures for the 1983-84 marketing year;

- report (Doc. 1-776/82), drawn up by Mr Eyraud on behalf of the Committee on Agriculture, on the co-responsibility levy in the dairy sector.

The following oral question with debate (Doc. 1-668/82), tabled by Mr Marck and others to the Commission on behalf of the Group of the European People's Party (CD Group), will also be included in the debate:

Subject: Use of the revenue for the co-responsibility levy on dairy products

When the co-responsibility levy on dairy products was introduced, it was agreed between the Commission and the agricultural organizations that the producers should be consulted on the use of these funds.

1. How have the funds from the co-responsibility levy been used? Can the Commission give details of the distribution between the 1981 and the 1982 budgets?
2. What part have the agricultural organizations played in this distribution?
3. How will the Commission consult the agricultural organizations as promised, so that the growing mistrust, caused partly by the fact that the money has not been utilized, can be dispelled?

I call the rapporteurs.

Mr Mouchel, rapporteur. — (FR) Mr President, I find it difficult to understand the dilatory tactics of some of our colleagues which are eroding the influence of our Parliament in the only area where a common policy exists.

(Applause)

I would like to thank Mr David Curry, the chairman of the Committee on Agriculture, for the contribution he has just made.

Mr President, the Committee on Agriculture and, I hope, the Parliament request the Commission to submit its price proposals by 15 December at the latest. This is why it was important for us to hold a debate today, so as to allow the Parliament and the Council to state their position before 1 April. This date is the opening of the marketing year for many agricultural products. I would like to remind you that this year a decision was not taken until 18 May, in difficult circumstances as we know. This delay meant a loss of ECU 500 million for Community farmers.

During its session of 13 May the Parliament held that this delay was quite inadmissible and instructed its

President to bring an action against the Council for its failure to act. We hope that our Assembly will urge the Council and the Commission to do their utmost to avoid a repetition of this situation. The Assembly also demands that the loss suffered by the farmers during the last marketing year be taken into account in fixing the prices for the coming marketing year.

The Committee on Agriculture considers that the prices must be examined independently of all other political considerations so as to avoid any delay. One of the objectives of the common agricultural policy is to guarantee farmers a decent income. Unless prices and measures are adequate a certain number of farmers may be hit by unemployment, a contingency we are also trying to prevent. Fixing a satisfactory price level means, among other things, taking into account the trend in production and agricultural labour costs, as well as the differences in inflation rates and interest rates between the Member States, with a view to adopting additional measures in favour of the countries which are particularly affected.

The price increase must be sufficient to permit dismantling of the positive monetary compensatory amounts, though of course not to such an extent as to penalize farmers in the countries involved. At the same time it is necessary to abolish negative monetary compensatory amounts which have for too long penalized farmers in countries with weak currencies given that the increase in the production costs is greater there.

These decisions could finally enable us to bring prices into line again and to re-establish a single market in Community agricultural products and would facilitate the free movement of such goods.

It is also necessary to adjust price increases for individual products to make allowances for the penalization which some products have suffered owing to the delay in fixing prices for the last marketing year and in order to encourage deficit products in the Community and to ensure balanced development in all the Community regions.

Moreover we reject the idea that cereal prices should be brought into line with those of the main competitors, in particular the United States. Although production costs are coming closer there are still differences which have to be taken into account. On the other hand we must also take into consideration the aids which all exporting countries provide to agriculture. Finally I would like to make the point that all price comparisons are distorted due to the sharp fluctuations in exchange rates.

We believe that measures must be taken to promote such products as maize and protein plants, so as to stabilize or retrench imports of complementary products or substitutes. Milk production certainly makes the major contribution to the maintenance of employment in regions with high levels of unemployment. It also

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contributes to preserving the countryside. Thus it is important to ensure an adequate price and support level in this sector so as to avoid a precipitate drop in the number of dairy farms. At the same time we call for the reintroduction of measures aimed at encouraging the voluntary closure of dairy farms.

The Committee on Agriculture stresses the need to facilitate exports by applying a satisfactory rate of refunds and by creating a European export agency.

As regards beef and veal we believe the encouragement of its production to be a means of reducing surplus production in the dairy sector, in particular in larger holdings. But we would also like to point out that preferential imports place a great burden on the Community budget.

As regards fruit and vegetables we believe that encouragement should be given to high-quality products. However, for brevity's sake, I would refer you to the Parliament's opinion of 16 June 1982.

Special measures must be taken in respect of citrus fruits to make allowances for the high transport costs and the possible enlargement of the Community. For wine I would refer you to the opinion of 9 July 1982.

However we must insist that greater importance be attached to quality and to the reduction of taxes levied on wine in certain countries in order to harmonize them progressively.

Mr President, I would like to have discussed a certain number of problems concerning all the products but your call to order tells me that my speaking time is almost up and thus I would refer you to my written report as I cannot enlarge on the issue here.

Generally speaking, although it is necessary to have commercial relations with the outside world, it is important to draw attention to the dangers of abusive imports at reduced duty or duty-free for the common agricultural policy. They compete unfairly with certain Community products and create a severe strain on the budget. We also call on the Commission to look for means to reduce these imports substantially.

In conclusions — as time is pressing — I would like to make one comment: although it is necessary to develop other common policies it would be intolerable if they were to be created at the expense of the only common policy that exists, namely agricultural policy.

Mr Eyraud, rapporteur. — (FR) Mr President, I too would like to express my disappointment at the way some of our colleagues have behaved just now. I doubt whether the spectacle we are offering to the visitors in the gallery will contribute to improving the image of our Assembly, which after all was elected by universal suffrage.

Ladies and gentlemen, dear colleagues, the report which I am honoured to present you on behalf of the Committee on Agriculture relates to the motion for a resolution tabled by Mr Davern and others on the co-responsibility levy on milk and the motion tabled by Mr Marshall on competition in the dairy sector, along with the oral question to the Commission tabled by Mr Marck and others on the use of the revenue from this levy.

The discussion of this report has direct bearings on the discussion of Commissioner Dalsager's statement concerning the present situation in the dairy sector. Furthermore it constitutes an interesting contribution to the debate on agricultural prices with which the co-responsibility levy is intimately linked.

This levy was introduced in 1977 in view of the magnitude of the stocks of dairy products which had accumulated in 1976 and in early 1977. This was the time when the problem of dairy surpluses began to concern us. Dear colleagues, at the time we did not know that if you suppressed one milking per week — on Sunday evening, for example — milk production would drop by 6%. This is possible today thanks to new and feasible technologies. Why not consider putting them into effect as they have helped to compensate farmers to some extent? This might turn out to be less expensive.

Initially the co-responsibility levy was equivalent to 1.5% of the target price; it was then raised to 2% and later to 2.5%, being reduced to 2% for the 1982/83 marketing year. It applies to milk delivered to dairies and to certain farm sales. Basically it was to be allocated to the search for new markets and the disposal of dairy products. Thus in its present form it is not equivalent to 'own resources'. Otherwise the creation of such a new type of 'own resources' would have to be approved by all the national parliaments. The very existence of this levy, its nature, implementation and the use to which the revenue is put were discussed at length in the Committee on Agriculture; the result is the text which has been presented to you today and which has been approved by a substantial majority. Of course this text contains a certain number of conclusions which are not necessarily those of the rapporteur, who is a socialist, nor those of a Frenchman.

My report emphasizes both the importance of milk production for Community agriculture and the great diversity in dairy structures. Dairy production provides the livelihood for a great number of farmers and family farmers in particular.

I would remind you that pursuant to a Community directive which mainly concerns the allocation of certain aids, this term is applied to production units which employ one and a half workers. Originally support of the dairy market was conceived for traditional production methods with limited possibilities of expansion. Now new methods of production have made their appearance thanks to technological progress. They

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bring a complete change of perspective *vis-à-vis* the initial situation and no longer have much in common with agricultural production in the strict sense. Hence the necessity to check unbridled expansion in the dairy sector. For this reason the Committee on Agriculture, although it is opposed to the levy in its present form, as it has not fulfilled the objectives assigned to it, agrees that some other form of co-responsibility must be introduced. The Committee on Agriculture has attempted to define what this co-responsibility might look like.

It has not accepted the principle of a variable levy as a function of the quantities supplied — which in my view would have been the correct course. On the contrary, it proposes an exemption applicable to all producers. The figure it has settled on is 60 000 kilos annual production, a figure which some may consider too low — it is up to you to judge. There have been various amendments on this point; it has also upheld the principle of a special levy applicable to holdings whose production exceeds 15 000 kilos of milk per hectare. Of course mountain zones and disadvantaged zones would be exempted. Finally, the Committee has expressed its desire to limit the burden on the Community resulting from intervention in the market.

What form could this new co-responsibility levy assume if, as I hope, my report is adopted in its present form? The Committee on Agriculture wants the policy of holding back the growth in the dairy sector to be accompanied by an overall policy on oils and fats and wants imports of cereal substitutes to be stabilized.

Finally it hopes that producers will be involved in fixing the rates and will have a say in determining the use of the revenues from this levy.

Ladies and gentlemen, dear colleagues, these are the main features of this report in connection with the questions raised by Commissioner Dalsager whose proposals — in particular the proposal that the target price be reduced by 2.2% — have thrown producers into consternation and are jeopardizing the jobs of tens of thousands of farmers. Hence I am convinced that this report will have a positive echo and call on you to approve it.

President. — I call the Committee on Budgets.

Mr Balfour, draftsman of an opinion. — Mr President, the amendments which have been tabled in my name on behalf of the Committee on Budgets, are evidence not only of a wide divergence of view between the Committee on Agriculture and the Committee on Budgets, but worse, they are evidence of the fact that the Committee on Agriculture and its rapporteur have completely failed to take into account even a fraction of the opinion expressed by our committee.

Our opinion was not long, it was contained in seven short paragraphs and in one-and-a-half pages. And, probably because our chairman is uniquely capable of pushing the Committee on Budgets through its debates and voting with maximum speed, our opinion was delivered on time. Yet none of our points were taken into account.

And I trust that the rapporteur is listening to what I am saying, because I am speaking not in a personal capacity, but as draftsman of the opinion of the Committee on Budgets.

I am therefore resubmitting the paragraphs which were drafted carefully by the Committee on Budgets in the form of amendments and this time they will go before the whole House.

I would ask Mr Eyraud, when commenting on these amendments at the plenary voting later on this evening, to point out that they are the amendments of the Committee on Budgets and that, unless they are accepted, the Committee on Budgets as a whole would find the Eyraud report unacceptable and vote against it.

President. — I call the Committee on Agriculture.

Mr Curry, chairman of the committee. — Mr President, I do not wish to speak on the substance of these two reports. I do wish, however, to underline the importance of these two reports in the development of this Parliament, and I would like to invite the Members of this Parliament to exercise maturity in the way they regard its constitutional advance. It may be that on occasions, Mr President, that constitutional advance takes place by means of votes which individually Members might not like. The fact of the matter is that the ultimate stakes for which we are playing, which is a role in the development of this Community, are greater than our individual reticences on certain points.

The Mouchel report, in particular, but Mr Eyraud's report in detail, mark the beginning of this process — a process which I described earlier as trying to occupy the lower slopes of power in this Community. The reason we need to do this is that our successors in future parliaments may embark upon the conquest of the peaks. Our aim is to give guidance to the Commission and to the Council. It may ultimately be our job to give instructions, but that will be for a Europe of future generations.

The Mouchel report concerns that advice and perhaps an imperative advice and I hope that Members when they vote, Mr President, will remember not merely that they are concerned with the specific material issues but with the broader and ultimately extremely important issue of achieving a democratically account-

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able Parliament which means a democratically structured Europe.

Mr President, I made some remarks two days ago which, I fear, have been misinterpreted. I would like to put that record categorically straight. It is not my role, it is not my purpose as chairman, to direct this House in its voting, and nothing is further from my mind. What I wish to do is to appeal to this House that in its voting it will remember that we give advice and that if we are coherent in our advice then, as I said, that advice becomes more imperative. If we give the Commission — and I pay tribute to Mr Dalsager's willingness to come to this House and to the committee because he is exemplary in his willingness to do that — and the Council a choice of advice they will choose which suits them the most.

Coherence, Mr President, in this House is power, and my object is merely to seek that coherence which will give us the influence which future generations may turn in this Parliament to power. May I therefore ask that Members when they vote will remember that perhaps in future times people will regard this report, however modest in its conceptions in all our aims in the committee, as just one small stepping-stone upon the road to a more democratically homogeneous Community.

President. — I call the Socialist Group.

Mr Gautier. — (*DE*) We have just been discussing the question of Christmas butter with Mr Dalsager of the Commission and this reminds me that Christmas is just around the corner once more. Otherwise, I would not have noticed, as Mr Bocklet has just said. Year after year at this time we get sentimental films on German television.

These are almost exclusively repeat showings and the situation with the report by Mr Mouchel's Committee on Agriculture is pretty much the same. Year after year the majority of the Committee on Agriculture comes here and says, 'we need price increases, and we are not interested in anything else . . . '.

(*Interruptions*)

. . . Mr Bocklet, we can discuss this later . . .

The Committee on Agriculture is at any rate the only lobby for those involved in this field. One could perhaps even speak of a certain bias. Anyone who has been keeping track of the debates in recent years will have noticed that, basically, the same two arguments are always used to defend price increases in this Parliament. Firstly, there is the argument that the cost structure of agricultural production has undergone substantial changes, since energy and fertilizer costs have increased, and the other argument is that the

interest being paid by agricultural holdings is enormous.

This year, however, something has changed. Neither of these two arguments apply anymore since the cost structure has improved and interest rates have been reduced so Mr Mouchel is now using new arguments, which are not all that easy to find. So he quite simply proposes price increases on the grounds that they will eliminate the need for State aids and make it possible to abolish the monetary compensatory amounts. This, I think, is one of the weakest arguments of all. No mention is made of the incomes situation in agriculture this year. According to the data available, the Commission anticipates an increase of 5% in real terms in agricultural incomes in the Community this year — 5% in real terms while every other group of the population in the European Community has seen a reduction in real terms of disposable income both this year and last year.

Nor does the report make any mention of the fact that we also have surpluses. This problem just does not exist for Mr Mouchel and no mention whatsoever is made of the entire market situation, be it in the milk, sugar or cereals sector.

We take the view, therefore, that this report should be drastically revised and greater emphasis placed on the restoration of market equilibrium. Nor can we condone the behaviour of the Council year after year, which could be interpreted as an attempt to pull the wool over the eyes of the electorate. First of all the Council makes grand statements as to what it intends to do should the surpluses increase, but it has never kept its promises.

I think, therefore, that this year we should make it clear — and publicly — that both the Commission and the Council have a duty to take steps to restore the balance of the market and they should not think — to make it quite clear for once — that they have to make use of the surpluses one way or another at all costs. This year, the upshot of all this is that we are obliged to use skimmed-milk powder for pig food, via a tendering system and with the aid of subsidies amounting to hundreds of millions of German marks. This is systematic madness. I should like, if I may, to mention a few specific aspects. If we consider the milk sector we see that milk production has increased by 3% and butter production by 6% this year. A 6% increase in butter production corresponds to 130 000 t. 130 000 tonnes, ladies and gentlemen!

The increase alone in Community production this year amounts to considerably more than our total imports from New Zealand and, I am amazed therefore how many people can get up here and not only criticize our imports from New Zealand but also justify their criticism by saying that an increase of 130 000 t is a very fine thing and that we just need to open up export markets. Nor is it a coincidence that this 130 000 t

Gautier

increase in production was not a result of weather conditions or other factors but of the system. Production increases every year and we must find some way of calling a halt to this state of affairs.

There are two possibilities: either you approach the problem via the prices or by the amounts produced. As Mr Dalsager explained earlier, the Commission intends to propose a price reduction. Mr Dalsager, I am sure the Commission means well, but I will tell you what this will probably lead to, as we see it. The Council will first of all agree to a 2% price reduction and then two minutes later at its meeting it will decide on a 10% increase so that in the final reckoning we will get an 8% increase. This is what will happen in practice, but nevertheless people are trying to make political capital out of this 2·2% reduction. However, we no longer believe a word of it.

For this reason we have also tabled amendments according to which the Commission should on no account agree to any Council decision which fails to impose strict quantitative restrictions or embody a strict price policy.

In the cereals sector we have similar problems which we were able to discuss in detail the day before yesterday during the debate on the report by the Committee on Budgetary Control and I should like to ask the Christian Democrats this time not to change their mind within two days — as they so often do — and to vote in favour of the report by the Committee on Budgetary Control on Tuesday and support a long-term reduction in cereals prices only to reject the proposal on Thursday when we come to vote on the Mouchel report on agricultural prices. I hope that you will be a little consistent in your voting this week at least and support a rational policy in the cereals sector.

The last two points I would like to mention concern Mr Mouchel's remarks on inflation in his report. Obviously, inflation is a problem which farmers too have to contend with, but it is a general problem from which all workers have to suffer. In countries such as France and Belgium index-linking for wages has been abolished but the agricultural lobby in these very countries is trying to introduce an indexing system in agriculture — as proposed in this report. This is economically absurd and we really should not support these efforts.

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

Mr Früh. — (DE) Mr President, ladies and gentlemen, it is a pity that there is not enough time left to go into the various points made by the previous speaker. I will only deal with two or three aspects. Mr Gautier, you talk as if price increases as proposed by us and adopted by the Council of Ministers directly affected

the farms. Does this mean you have not read what actually happens? How small the price increases are at actual farm level? Is your agricultural policy just on paper? That would be very sad. You should go to Niedersachsen and ask the farmers what they actually get out of these increases.

Secondly, is your patent remedy really as simple as all that? Does a price reduction really automatically lead to a decrease in production or do you perhaps want to introduce your old system of price reductions and then, when this has had its unfortunate consequences on incomes and the farmers do not know which way to turn, introduce transfers of income? And where do you intend to get the funds for this purpose? Would you be so kind as to tell us where you propose finding the funds for this purpose in the current budgetary situation in the Member States and the Community?

You had six minutes and I too have six minutes in which to put forward the views of my Group. We welcome the system whereby Parliament — and I should like in this connection to give my particular thanks to the rapporteur — takes the opportunity of expressing its views on the price question before the Commission has submitted its proposals since, as the saying goes, once bitten twice shy. Mr Dalsager, I am not reproaching you in any way since you know yourself how difficult things have been over this last year and — we have acknowledged this fact — how you have endeavoured to come to some settlement with the Council of Ministers, which kept you waiting until the end of January so that we did not get the prices until May and then only as a result of a legitimate and legal *tour de force*, i.e. a majority decision. In the hope of avoiding the same thing happening this year, we wanted to state our views in good time since there can be no doubt about the fact that this method resulted in losses and uncertainty on the part of the farmers, who after all are businessmen, regarding decisions on the running of their businesses. For this reason we welcomed this initiative, the fact that we can discuss it today and the fact that the Commission too, we hope, will take it as a guideline.

And now to the price increases. The prices must keep pace with the average inflation rate, although this in itself would not get us very far. It would still mean, Mr Gautier, that market forces were the determining factors in many areas. Mention has been made of a wage freeze — however, haven't you heard of people having a gap to make up while other people have managed to get two figure wage demands through? This has not done much for the economy.

(Laughter)

There is a need for agricultural investment, and investment also leads to the creation of jobs. The rural regions need purchasing power. We think we are on the right lines here. We do not wish to jeopardize the efforts being made in the individual countries with a

Früh

view to achieving greater stability — quite the reverse, we deplore the wide-ranging inflation rates. However, our agricultural policy has a feature which is totally unknown elsewhere, i.e. the system of monetary compensatory amounts which permits fine differentiation. In countries with lower inflation rates we can cut back the monetary compensatory amounts while in other countries we can give a little extra by adjusting the green currencies. There is no system to equal our agricultural policy, which takes account of the particular situation in the individual countries, and many other sectors should learn a lesson from it. Then, I think, we would be getting somewhere.

The prices must be such as to enable this system of monetary compensatory amounts to work. After all, you are all in favour of eliminating the positive monetary compensatory amounts — and so are we. However, this calls for a sufficiently wide margin to obviate the need for direct national aids, and for this reason I would ask you to bear this in mind quite objectively and unemotionally so that there will be no recriminations.

Finally, I should like to ask the Commission and the Council of Ministers one thing, i.e. to be careful with the agricultural policy so that we will not have a repeat of this year when, at the end of the year, 1 200 million ECU of the agricultural fund has been saved as a result of inaction or some such and the Committee on Budgets — I was at a meeting of this committee this morning — still does not know what this amount is to be used for. If we continue in this way, I will be forced to agree with the rapporteur, who said that anyone who thinks that he can use regulations to surreptitiously divert the legally available funds from the agricultural policy in order to finance policies for which there is no legal basis — and it is not our fault that this legal basis is lacking: we are in favour of legal bases being created for other policies too, i.e. for regional policy, social policy and research policy, for example — will destroy the agricultural policy. This is something we would all regret and I hope it will not happen.

IN THE CHAIR: MR NIKOLAOU

Vice-President

President. — I call the European Democratic Group.

Mr Provan. — Mr President, first of all let me thank Mr Mouchel for his very important report. There is no doubt in my mind that it will have a significant impact, and I hope that the Commission will realize that Par-

liament is actually making serious efforts to give it some guidance.

There is also no doubt in my mind that agricultural incomes have taken a battering in recent years and that there is now a greater difference than ever before between farm incomes and other incomes. On the other hand one must realize that the industry has had a good year. With record yields and a reasonably good summer for harvesting, there has been an increase in farm incomes in real terms. There is probably, however, a long way to go to catch up.

Let me turn to one or two aspects that we have got to take into consideration in this year's price proposals. First of all, I believe that there is a value in having strategic stores of food supplies. We must accept that, especially when we see the kind of chaos there is in some other types of undemocratic systems in the world. The cost of the CAP is not insignificant, of course, but other systems in the world — basically the USA and Japan — have other ways of subsidizing their agricultural industry. We really must ask the Commission to try to investigate some of the ways in which the Americans look after their farming industry, because it looks as though we are heading for trouble with them on that front. I hope the Commission can help us in this regard.

We must also get some clarity in the budget, and we in this group have been happy to support Mr Früh in what he has been doing in the Committee on Budgets. However, when we talk about clarity in the budget, we must begin by talking about clarity of objectives. The viability of farms is very important, and if we start mixing up social policy and agricultural policy, we are heading for real problems. I believe the time has come for us to try to make some significant progress in establishing a clear distinction between the two. Agriculture must fit into the overall economy, and we must, of course, try to secure incomes in agriculture that are comparable to incomes in other sectors, as stipulated in the Treaty.

Of course, Mr President, it must be pointed out that our success in doing this depends on the number of people who have to share the cake. One of the main problems that we seem to be facing at the present time in the Community is differing rates of inflation. Policies must not actively encourage inflation. Policies must discourage inflation and help convergence of the Community economies. Farmers are, of course, victims of inflation and cannot be isolated from it. We need greater efficiency and the maintenance of employment in the industry by creating extra benefits for countries with higher inflation. Yet if we did that, it would create unfair competition for those countries that have already tackled inflation for themselves and are presently facing up to severe problems of unemployment. In the long term we must try to move forward in the direction of job creation, and we can only do that by defeating inflation. I would say to this

Provan

House that this is one of the greatest things that the Community has got to try to do.

The Commission will have various things to take into account in coming forward with its price proposals. At this time, with so many millions unemployed, agricultural industry cannot really expect to be given special treatment. The industry must be very careful, as must the Commission, not to make demands that could lead to a backlash against public support for our most vital of industries. I believe that this agricultural industry has reached a plateau. The CAP has been successful in achieving a hundred per cent self-sufficiency, and security of supply has now been achieved. We have gained and maintained public support as an industry and we must not lose that public support by making extravagant demands at this stage.

We therefore have to be seen to be aware of the growing problem of structural surpluses. We must ask the Commission and the Council for policies that can change the emphasis from maximization of production to production efficiency and balance in the market. Having said that, we must also recognize the problems of the less favoured areas and, still more important, the severely disadvantaged areas. Positive policies are needed to assist those areas designated as such by the Community. This need not be done by price proposals alone but may be better achieved by increases through the less-favoured areas directives.

Let me turn to the cereals sector. I believe that alignment must constitute the main effort to achieve better balance in Community agriculture. We must stop the sucking in of cereal substitutes if possible, but we can only do that by striking a better balance between our cereal prices and world cereal prices. As I have already said, we should ask the Commission to investigate the assistance given in other parts of the world to producers who supposedly produce cereals at a lesser cost than ourselves. However, we must also make certain that restrictive agreements are not confined to one country, because other countries can come in and fill the gap instead, as far as cereal substitutes are concerned. I believe that the agreement we have with Thailand is a good agreement, but we must allow them to export manioc to this Community so that they can gain income for their hard-pressed poor people living in the north-east border next to the atrocious Communist regimes that they have to live close to. They need our help, and so do the animal producers in the Community, since they need cheaper food for their animals.

The maize gluten problem is slightly different, and the Americans must recognize that by increasing their sales to us every year they are encouraging our processing industry and our livestock sector to produce more products for the world market. If they expect to send more maize gluten to us every year, they must expect us to increase our output onto the world market, either of cereals or of animal production.

As far as milk is concerned, Mr President, my colleague, Kent Kirk, will be dealing with Mr Eyraud's report, but there we must have free and fair competition. We believe that price reductions, as proposed by the Commission, are necessary and that targets must be maintained in the future. We therefore require a very much better balance in the market, because a 20% structural surplus is just not good enough.

As far as tobacco is concerned, I am rather amazed to see in Mr Mouchel's report the suggestion that, even though there is a strong demand, there should be an increase in market support. I submit that if there is a strong demand for a product, it needs less support. Certainly, the varieties that are not in so much demand should have different support arrangements. In other words there should be a reduction, because if those varieties are not required, they should really be phased out of production altogether.

To sum up, Mr President, we want to see a below average increase in products that are in surplus. We want to see a below average increase in milk, cereals, sugar and wine, and we must see some quantitative control in these sectors.

President. — I call the Communist and Allies Group.

Mr Pranchère. — (FR) Some months ago, during the discussion of the 1982/83 agricultural prices the memo prepared by the rapporteur, Mr Curry, disagreed with us. Together with others we managed to change the seasoning in order to obtain a more presentable dish, in the form of the final resolution of the European Parliament.

The Mouchel report falls in with this pattern which we consider positive. By supporting the farmers' campaign which we relayed in this Assembly, during the fixing of the 1982/83 agricultural prices, we helped to deal the enemies of agriculture a blow which is still ringing in their ears.

The campaign of the farmers and their organizations has certainly played a decisive role in overcoming British obstruction and in going beyond the Commission's proposals, but our resolution has also contributed. It was a substantial step forward and helped the French Government in the Council negotiations.

Our action during the fixing of the 1982/83 agricultural prices helped to stabilize average agricultural income in France in 1982, after eight years of decline, but there are still disparities between production sectors and between holdings. It is good that the Committee on Agriculture has taken the initiative to hold this debate. What we must do from now on is to exercise pressure on the Commission to oblige it to present its price proposals in time and to take closer account of our opinion.

Pranchère

Already a number of statements have aroused our concern. I am not referring to the opinions expressed by Commissioner Tugendhat, who continues his work of undermining the EAGGF: this is something we are accustomed to. I am referring to the statements by Commissioner Dalsager, who wishes to lower the intervention price by 2.2% in 1983 and to review the market mechanisms by reducing the guarantees. Despite our warnings the Commission still wants to lower prices, to restrict market support guarantees and to extend co-responsibility. The cutbacks in the EAGGF in 1981 and 1982 illustrate this strategy. It is true that they are due to the recession but only to a certain extent; they are also the result of the Commission's decisions: reduction of guarantees depending on the periods or categories, refusal to grant export refunds.

We must redouble our vigilance to ward off these blows against farmers. We reject this Malthusian policy of restricting production and of penalizing farmers, which takes no account of the various exemptions from Community preference, which have made the common market a veritable sieve and is placing a heavy burden on the Community budget: 20 000 million Francs, according to the French Minister of Agriculture.

The Mouchel report takes this situation into account and is in tune with our proposals, which moreover have been approved by the Committee on Agriculture. We endorse the reference to the objective method for fixing agricultural prices and call for remunerative agricultural prices to cover the increase in production costs, along with specific measures, such as improvements in the Community rules concerning wine. It is also desirable to encourage beef and veal production by increasing and not by decreasing the premiums for suckler cows, and by maintaining the premium for calves. We also call for improved market support measures with a view to ensuring effective and complete coverage of increases in production prices, without forgetting particular measures for countries with high inflation. It is essential to abolish both positive and negative compensatory amounts, by 1 April 1983 at the latest, in order to re-establish fair competition.

We insist as before on the need for greater respect for Community preference, which has come under increasing attack both from inside and outside the EEC. Thus we must show absolute steadfastness in the face of the United States' offensive against European agriculture. There must be no compromise as in the case of steel: Only firmness pays, as the raising of the oil pipeline blockade shows.

In recent years the prices have rarely been fixed in time, on 1 April. This is not inevitable, it is a question of will. To exert pressure on the Community institutions and to oblige them to fulfil their commitments we propose, in the resolution we have attached to the

Mouchel report, that compensation be awarded to producers in the event of delays in price fixing.

True to our electoral commitments and in our concern for the welfare of family holdings and the development of our agriculture, we will continue our campaign with the firm objective of ensuring an increase in agricultural incomes in 1983, after their stabilization in 1982.

(Applause from the left)

President. — I call the Liberal and Democratic Group.

Mr Delatte. — *(FR)* Mr President, dear colleagues, I would like to pay tribute to the quality and importance of the work done by the rapporteurs of the Committee on Agriculture, our colleagues Mouchel and Eyraud.

These reports have a certain number of points in common. They underscore the need for expansion in the markets for agricultural products which we must export, bearing in mind that sales outside the Community help to improve the trade balance of the Community Member States and also that the maintenance of agricultural employment and its input and output sectors is in any event less onerous than supporting the unemployed.

These two reports underline the need to abolish the monetary compensatory amounts. How often have we insisted on their perverse effects! It is absolutely essential that when the prices are being fixed the extent to which they are raised should be sufficient to allow countries with strong currencies to achieve a substantial reduction in the positive compensatory amounts without having to reduce producer income. At the same time by abolishing the negative compensatory amounts in countries with high inflation these countries could maintain their farmers' income. The price increases would enable them to cope with the increase in their production costs. This would mean a substantial step forward towards harmonizing prices.

Another point discussed in the two reports concerns the market for oils and fats. Everyone knows that this problem must be settled globally and I hope that the present negotiations will lead to a solution. We cannot keep on raising this problem without looking for a reasonable solution involving a review of the conditions of exemption from import duties which create difficulties for European products.

I do not have enough time left to enlarge on these important issues. My group approves the two reports which have been presented. The arguments they contain for production, the channelling of production, the encouragement of deficit crops, the need to look for new markets and to interest farmers in the management of the markets, are imperatives which we have always defended.

Delatte

I would like to add that this year the report on prices has a certain originality because it reminds the Commission of our concern for the factors to be taken into account in fixing the agricultural prices and in particular, on the urgent need to present the proposals in time so that the time limit set out in the Community rules can be respected.

I would like to draw the Commission's attention to the need for vigilance with a view to avoiding an excessively large growth of the budget of the guarantee section of the EAGGF. There is a need for a dynamic and realistic policy geared towards the export of surpluses, while limiting the volume of stocks to the optimum level of regulatory stocks. The contribution which Commissioner Dalsager has just made on the proposals for butter sales tends in this direction and I would like to thank him for what he has said. Forward markets will have to be developed. In this respect I think that a decision to set up a European Export Agency for agricultural products, whose sole objective would be to encourage the conclusion of multiannual export contracts, is essential.

Mr President, dear colleagues, we now await the Commission's proposals, which should be submitted as soon as possible.

President. — I call the European Democratic Group.

Mr Davern. — First of all I would like to congratulate both rapporteurs and particularly my colleague, Mr Mouchel, who has done an excellent job on his report on prices but also Mr Eyraud for the excellent job he did on our motion on the co-responsibility levy. I will confine myself, however, to the issue of prices, as a colleague will be speaking later.

I am in full agreement with the rapporteur on the price proposals as well as with many of the speakers before me. However, I find Mr Provan's remarks — I am sorry to see that he has left the House — particularly unacceptable and, indeed, surprising. Of course, that may be the consequence of doing as mother says. I find it repulsive that some Members of this House particularly would play games with what are essentially people's lives and the whole structure of certain countries of this Community. I would like to know if Mr Provan would make the same type of speeches and suggest the same type of amendments to the Scottish Farmers Union or the National Farmers Union of England.

Many of course will say, as Mr Provan just did, that farmers had a good year in 1982. A good year compared with what? Compared with four years of disasters, with 50% less income in those four years; and here we are saying that we had a good year. One good year — one swallow does not make a summer. One good year does not make a livelihood for farmers and

anyway those four years have not been made up for in one short year. In fact the incomes of many farmers throughout this Community are now 50% less than they were before they joined the European Community. That is an important political consequence for many countries in regard to the stability of their own communities.

We talk about the dramatic employment situation throughout the Community, and rightly so. There is a serious decline in employment, but we give little thought to the consequences of increased unemployment in the farming sector. Let us make no mistake about this — it does exist in the farming sector. Mr Provan spoke of so many eating from the one cake: of course the real solution is to have two cakes. But has he the courage to suggest this, expanding beyond the 1% and increasing the Social Fund and the Regional Fund but also starting new funds that this Community should have the courage to raise?

In regard to the agricultural price proposals and the connected measures for '83 and '84 — they will not be sufficient if they do not realistically engage what farmers need to maintain people on the land. Let me remind you that it costs less in the Community to keep 6 farmers on the land than 1 person on unemployment benefit. Let us not forget the important part that agriculture plays in the variety of industries directly and indirectly connected with agriculture. I do not have to go into details here.

I want now to say a brief word or two about Community preference and so as not to disappoint my friends in the European Conservative Group I will mention New Zealand first. I think it is important that the House should be perfectly clear about UK imports of duty-free New Zealand butter, as I have said on numerous other occasions. On this occasion I will simply express my gratitude to Sir Stephen Roberts, President of the UK Milk Marketing Board — which is the central body for milk and milk products in the UK — for publicly criticizing the British Government's policy of importing cheap New Zealand butter. Sir Stephen Roberts asserted very recently that his country was practically self-sufficient in dairy produce. Well, we know that that is a fact — we know the Community is more than self-sufficient so that importing anything more is merely a selfish act on their part and certainly not an act of 'communitarianism'.

Furthermore, I would like to point out that we have been threatened by the US who have no exporting tradition in the world dairy market and they threaten to dump this year 3 billion dollars worth of US butter and skimmed milk powder on the world market. What is this Parliament, what is this Community going to do about that threat? Give in to it and let our Community farmers be destroyed? Let the whole structure of the Community be destroyed? Why have we been elected to this Parliament? To defend the interests of the people who send us here. To defend the interests of the

Davern

Community. If we do not have the courage to do that, then the people at the next direct elections may make different choices. Then those who so much attack this Community, the admirable solidarity of this Community, may not be returned.

(Applause)

President. — I call the non-attached Members.

Mr Pesmazoglou. — *(GR)* Mr President, I would like to see greater political participation from more members of this House on the topic under discussion. This is one of the most important topics which the European Parliament has to deal with.

I should like to congratulate the Committee on Agriculture and Mr Mouchel for their excellent report on general trends, which will, I believe, be supported by the majority of this House.

I should like to stress three points which I consider to be of special importance.

Firstly, there is a need to safeguard Community preference. Any solution or course which weakens the Community preference is contrary to the objectives and character of the European Community.

My second observation relates in particular to the subject of inflation. Mr President, it is my opinion that if no solutions are found for countries with inflation rates higher than the European Community average, the totality of the solutions put forward for 1983 will not represent a responsible and intelligent approach to the problem. If, however, a responsible solution is found and solutions can be found for this problem — this will pave the way for the fight against inflation in countries with higher inflation and for the convergence of economic policy within the European Community. This is also valid for the income problems of small farmers, and I am of course referring in particular to my own country, Greece.

My final observation, Mr President, refers to topics which are also mentioned in Mr Mouchel's excellent report, and in particular to oleaginous products — and I am obviously referring to oil. A general conclusion can be drawn which is that unless a logical price ratio is established within the Community which will encourage olive oil consumption, we will continue to have serious problems. I am sure that the Commissioner responsible can find solutions and, Mr President, there must be the political will to emphasize our part in this.

Mr President, I should like to finish by stating once again that I am most impressed with the Committee on Agriculture's excellent report.

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

Mr Israël. — *(FR)* On behalf of my group, and in accordance with Rule 86(1) of the Rules of Procedure, I wish to move the winding up of the debate. The fact is, Mr President, ladies and gentlemen, that all the groups have spoken — and in an excellent manner as a rule — and a second round of speeches would only delay what we are keen to do, which is to vote through these farm price proposals which have come from the Committee on Agriculture. That is the important thing to do in my view.

On behalf of the Group of European Progressive Democrats, Mr President, I humbly request that Rule 86(1) be applied.

President. — You naturally have the right to ask for the debate to be wound up, Mr Israël.

I call Mr Gautier.

Mr Gautier. — *(DE)* I am against the proposal, Mr President, essentially for the reasons that my Conservative colleagues gave. This is a very important debate. You apparently take the view that it ought to be closed after the first round of speeches. On the other hand, during the second round there are bound to be a lot of speakers who will want to go into certain aspects in detail, for example milk policy or Mediterranean fruits or some such thing. In my view, therefore, the debate ought to be continued.

President. — I call Mr von der Vring on a point of order.

Mr von der Vring. — *(DE)* Mr President, I think the motion is unfair. I therefore ask for the quorum to be ascertained.

President. — Do you want this to be ascertained, Mr Israël?

Mr Israël. — *(FR)* We ask for the quorum to be ascertained. And I wish to request a roll-call vote on my request to close the debate.

President. — Rule 71 of the Rules of Procedure states that a request that it be ascertained whether a quorum is present must be made by at least ten Members.

(More than ten Members rose in support of Mr Israël's request — The President ascertained whether a quorum was present)

The quorum is not present.

President

I call Mr Israël.

Mr Israël. — (FR) Mr President, I have the greatest confidence and sympathy for your staff and they are aware of it. But I do think it is somewhat old-fashioned to count Members as though they were birds in a chicken coop. The best way would be to have an electronic vote to see how many Members are present.

President. — Mr Israël, it is not allowed to use the electronic voting system to ascertain the quorum. In fact this was decided by the Committee on the Rules of Procedure and Petitions on 14 May 1982.

Mr Israël. — (FR) Can we count the Members by standing and sitting, Mr President, because I really feel the count was not very accurate?

President. — I call Mr Nord.

Mr Nord. — (NL) Mr President, since Mr Nyborg, the chairman of the Committee on the Rules of Procedure and Petitions, is absent might I explain briefly why this interpretation is worded the way it is. The reason is that this House has on various occasions remarked that when we wanted to determine whether or not there was a quorum by means of an electronic vote, a number of members were far away from this electronic wonder we have here. For this reason, it was decided that the counting must be done physically in the perhaps old-fashioned but particularly effective way in which you have just done it.

President. — I call Mr Israël.

Mr Israël. — (FR) Mr President, it would be very easy to sabotage the quorum by not pressing the button, but if someone is here it is difficult to say the opposite. Consequently, Mr President, and with no desire to waste your time or to try your patience, may I suggest that the Members be counted using the standing-and-sitting method? Perhaps you could also take the precaution of asking the officials to leave the Chamber.

President. — I call Mr Gautier.

Mr Gautier. — (DE) According to our Rules of Procedure, Mr President, the matter is over once the count has been made. I do not like these insinuations against the integrity of our staff. If you ask me, their count was correct. They know us all and they even know all our names. I ask you to reject Mr Israël's request. It is obviously only a tactical ploy.

President. — In accordance with the Rules of Procedure, Mr Gautier, I am required to repeat the count if this is expressly requested by a Member.

(The Members rose)

Mr Klingenberg, you must stand up as well, please. Everyone has to be counted. Anyway, you have been counted in. You cannot be missed out. Unfortunately for those who made the request, we have no quorum. As a result, we shall have to continue with the debate.

I call Mr Woltjer.

Mr Woltjer. — (NL) Mr President, I am amazed at this example of undemocratic behaviour we have just witnessed. What is this debate about? The chairman of the Committee on Agriculture has already pointed out that the intention was that Parliament should be able to state its views before the Commission came up with its agricultural price proposals. This expression of views should not take place merely by means of a vote on a resolution but, as I see it, by means of a debate which, incidentally, the groups had decided in favour of...

Mr Provan. — Mr President, could you just clarify the position as the result of that. Are we going to be voting on these reports tonight?

President. — It is Mr Woltjer who is speaking.

Mr Woltjer. — (NL) Mr President, I hope this means that I can start afresh, since it is barely possible to speak in this chamber with things like this happening, and if this is the way we have to conduct our dealings with each other I think this is a very sad state of affairs. I should like to make at least that point clear. People may well come rushing in to vote for an end to democracy, but they are not prepared to keep quiet while someone else is talking in this chamber. This is trampling on democracy and something which I find disgraceful.

Mr President, I had started to explain that I was amazed at what has just happened. What was the original intention? The chairman of the Committee on Agriculture responsible for the initiative of drawing up this report just explained in his two-minute speech prior to the debate, that his intention was to inform the Commission, before it decided on its price proposals, of this Parliament's thoughts on the subject and what arguments and points they felt to be of relevance. If people then want to break a debate off abruptly as has just happened with the procedural motion by Mr Israël, I really get the impression that this is trampling democracy underfoot, like the recent treatment of one of their colleagues by some people here when I began to speak.

Woltjer

Mr President, this debate is polarized, as it were, at the moment — and has been for as long as I have been following it, i.e. right from the outset — since it is as if some of us were speaking only about agricultural incomes — Mr Früh devoted considerable attention to this question — while on the other hand there are people who are talking about nothing but the market balance, and the two would appear to be in conflict since one group says that in the interests of agricultural incomes prices should increase — and this is also the thrust of the Mouchel report at this time — while the others come with the argument that if you increase prices, surpluses will increase still further and one is caught in the cross-fire, as it were, and nobody can find a way out.

Obviously, it cannot be denied that when prices increase production also increases or in other words, the amount people are prepared to produce for that price increases. This is a basic law of economics which we all learn right at the beginning in school. On the other hand, there is also a law of Medes and Persians to the effect that if prices are allowed to fall, agricultural incomes are jeopardized, an unofficial restructuring process gets underway — at least in the case of certain farmers — smaller farmers are obliged to leave agriculture and employment in the agricultural sector is threatened.

This is the criticism I myself would make of this agricultural policy and we are evading the issue if we refuse to discuss this point with each other, since it is central to my view of this question that the instruments currently available to the Commission, i.e. marketing and price policy, are no longer equal to the two tasks they are intended to perform. Incomes are under pressure, the market balance is out of joint, there are surpluses and the budget is coming under pressure. One may well speak of new additional resources, but this is no way of solving the problem.

We have, therefore, tabled amendments proposing a new solution involving a further instrument in addition to the existing price instrument, the function of which will be to control the volume of production in such a way that this unofficial restructuring will be halted and the farmers and their wives can look forward to a brighter future.

Mr President, I would like to go even more deeply into the Eyraud report which is basically concerned with the co-responsibility levy. This levy in its current form has not, according to the report, come up to expectations and we must admit that, on a superficial analysis, this is indeed the conclusion which must be drawn, since we have increasing surpluses, which demonstrate that the entire system of co-responsibility levies, which has already existed for many years now, has failed to remedy this problem. Nor is the co-responsibility levy in its present form — and this must be made quite clear — anything more than a price instrument, i.e. a negative price instrument which keeps the

farmers' prices down and hence threatens their incomes. Since the farmer now expects future prices as they have been fixed to come up to the mark again, he will in the meantime, in order to survive, attempt to protect his income and his existence by increasing his production. In brief, the report is stating the obvious on this point.

As regards the general aims of the co-responsibility levy, the report is quite clear. However, the shortcoming in this report is that it advocates turning the general co-responsibility levy into an incomes instrument aimed at helping the smaller producers by means of exemption for the first 60 000 l milk. It is proposed to turn the general co-responsibility levy into an instrument whereby production will go back to depending to a greater extent on factors connected with the land itself by the introduction of a levy designed to discourage production of over 15 000 l per hectare. However, the original aim of this instrument, i.e. coping with the problem of surplus production, is not dealt with and this is a shortcoming in this report. The Committee on Agriculture has no opinions on this subject. However, choices must be made in this field too and the Committee on Agriculture would certainly appear to be at a loss in this respect. I think therefore, that we as Parliament should make our amendments very clear on this point particularly as, I repeat, the report fails to reach any conclusions on this question.

There are two possibilities for dealing with overproduction. On the one hand, there is the option proposed by the Commission, i.e. to reduce the intervention prices, and I should like to ask the Commission in this connection why it has now come up with a proposal to reduce intervention prices after accepting the enormous increase in intervention prices a year ago. Was the Commission unaware that if a price increase of this kind was introduced we could also expect a similar increase in surplus production? This, after all, is a basic principle of economics and I must say, in this connection, that the Commission's policy is frequently inconsistent.

There is also another possibility, i.e. to introduce a levy on production over a certain limit, as decided in a Council decision taken some time ago under Commissioner Gundelach. In this way, farmers who produce more would have to take the consequences themselves and would therefore be prepared to accept lower prices.

Mr President, I think I must make my meaning very clear. My group has spoken in unambiguous terms on the Eyraud report. The budget was discussed a month ago and during the budget debate it was stated explicitly that we as Parliament were not in favour of the agricultural budget increasing to a greater extent than the average increase in general EEC expenditure.

Woltjer

We will have to maintain this position and this Parliament must therefore make a choice regarding these two reports in the light of these problems.

(Applause)

President. — Before calling Mr Clinton, I should like to answer the question just raised by Mr Provan, who wished to know what has happened so far and what will happen next. Mr Israël requested that the debate closed without the remaining thirteen speakers being called. Mr von der Vring asked for it to be ascertained that a quorum was present. This was done, and it was found that there was not a quorum. According to the Rules of Procedure, we were obliged not to put the Israël motion to the vote, and to continue the joint debate. The debate is bound to go on until 6 p.m. Thus, at 6 p.m. the voting will only refer to those reports on which the debate has been closed. After the voting the joint debate on the Eyraud and Mouchel reports will be continued, and we shall then go on to discuss Mr Ruffolo's report, for which the original rapporteur, as you know, has resigned.

I call Mr Clinton.

Mr Clinton. — Mr President, before starting to make my contribution to this debate, I should like to thank Mr David Curry for the trouble he has taken today to explain his rather unusual speech at the end of the Wettig report the other day which some of us felt was really meant to influence the vote on the Mouchel report. I was the person who objected at that time and I feel very happy about his explanation today.

Mr President, I, like previous speakers in this debate, feel that it is right that Parliament should express its opinion on the considerations which guide the Commission in the formulation of its annual price proposals. As we know the Commission consults other bodies, so why not this Parliament? As we know too, last year a number of things were allowed to go wrong, which is something we hope will never be repeated again.

The Commission again unwisely withheld making its proposals until well after the normal date and then one Member State was allowed to delay giving its consent to a price package agreed by all ten Members, for a reason not even remotely related to farm prices. This quite unnecessary failure to fix prices by 1 April resulted in a very substantial loss of income for Community farmers. In the case of the weakest Member State, Ireland, this loss was estimated at 20 to 25 million Irish pounds.

This may sound a small figure for the stronger Member States but for Ireland it was a very large consideration.

Prices could and should have been made retrospective to the start of the marketing year. This is a clear case of the Commission and the Council coming together to further deprive the farmers of Europe whose income had suffered a substantial reduction in the two previous years. This surely is something to be ashamed of and something which should be made good in the coming year.

Farmers in Ireland, where 50% of the people depend for their livelihood on agriculture, got a price increase for the past three years that was less than half our inflation rate, and their incomes dropped by 50% in two years. Whoever was responsible for high rates of inflation, it certainly was not Irish farmers. There is no point whatever in talking about convergence if we continue to ignore these facts in our price fixing arrangements. Neither can we afford to ignore the cost of necessary investment in developing regions of the Community where bank interest rates are usually twice the Community average.

That is what the Mouchel report is all about. It is also about other things which result in unequal treatment for farmers in different parts of the Community, such as MCAs, Community preference, a policy on oils and fats and insistence also that we cannot continue a policy of taxing Community products with co-responsibility levies while allowing the same or substitute products to enter the Community free of similar taxes. It draws attention to the great need for a vigorous export marketing policy supported by adequate refunds and without restriction to any market, including Russia, which I believe it would be to the Community's advantage to develop to the fullest possible extent.

If we have such a policy we will have no problems in disposing of stocks in excess of Community requirements. We cannot continue to ignore the fact that farmers get prices which represent only 30% of what the consumer has to pay. In between an enormous number of people are employed in the processing and distribution of these products. These are some of the important considerations that the rapporteur rightly emphasizes in this report to which I hope this House will give its full support.

Now I have said nothing whatever about the Eyraud report which I consider is also an extremely important report, but which has been fairly well dealt with by previous speakers. I want simply to say that it has my full support also.

President. — I call Mr Kirk.

Mr Kirk. — *(DA)* Mr President, looking at the two reports before us and listening to the debates, it is clear that both Parliament and the Commission still have not got out of the old bureaucratic rut. There are

Kirk

no new ideas and we are still trying to build on an agricultural policy which has become inappropriate in many areas since it has come to include far too many misguided elements.

To take the Eyraud Report on the co-responsibility levy, for example, it is a fact that one of the reasons for introducing this levy was to limit milk production. I should like to ask Mr Dalsager whether this has in fact happened. Is it not a fact that ever since the co-responsibility levy was introduced, milk production has increased year after year, including 1982? The Commission's answer will, I think, be 'yes'.

Thus, we are in a situation where Mr Eyraud proposes introducing a number of different rules regarding the co-responsibility levy. Even if we must admit that it has failed to solve the problems it was intended to solve, people nevertheless now want to go on trying to carry out some sort of social and agricultural policy measures with the aid of the co-responsibility levy.

I should like to warn Parliament against this idea, since we will finally end up, I think, with an agricultural policy within the dairy sector which is totally incomprehensible to the consumers and the producers and the point of which understood only by a handful of bureaucrats in the Commission and perhaps in the European Parliament. It would be a bad thing for us, I think, if things were allowed to take this course.

For this reason I have tabled a series of amendments to this report since it must be in the interests of the producers and consumers for us to get the market forces to work within the dairy sector. We have an intervention system which provides a full guarantee for milk producers, and we also know that if production continues to increase year after year the way it has been doing, the Commission has only one way out, namely to reduce the increases in the intervention price with a view to limiting production.

However, is this justifiable if we consider milk production? Is the situation not such that there are a number of milk producers in the Community who are capable of producing without having to turn to the intervention stocks — who are capable of selling their products to the consumers because they are things the consumers want.

This is the situation in the case of certain milk producers. However, in other Member States, we have certain milk producers who turn to the Community intervention stocks in order to get rid of a portion of their production. It is, I think, a very unfortunate state of affairs if people can exploit intervention stocks via a guarantee system and make no attempt to market their own products in such a way that there will be a demand for them. I therefore propose the introduction of a tiered intervention system instead of the overall intervention price system, i.e. a system involving a sliding scale based on the extent to which the individual

milk producer or group of producers takes advantage of the intervention stocks and hence the price system. In this way we could, I think, enable certain market forces to play a part in our milk policy and ensure that the producers become more interested in marketing their products in accordance with the consumers' wishes, since we should attend to the interests of the consumers as well as to those of the producers.

I also think that if the producers are more interested in marketing their products this may lead to an increase in the consumption of dairy products in the Community which in turn will contribute towards solving some of the problems of overproduction.

I would, therefore, strongly urge my colleagues in this House to give some consideration to the amendments to the Eyraud Report and the ideas underlying them, and to vote in favour of these amendments. Since I think it is high time we revised the policy, which has been demonstrably inappropriate for many years now, that we abolish the co-responsibility levy and that we simply ensure that market forces and the consumers' interests come through the principles of supply and demand, to influence milk production in the Community.

President. — I call Mr Vitale.

Mr Vitale. — *(IT)* Mr President, ladies and gentlemen, the Mouchel report contains some sensible observations: for example, it states the need to respect the date set for the fixing of prices, i.e. 1 April, and emphasizes the problem posed by the different levels of inflation. These two observations are positive.

However, what is needed to deal with the common agricultural policy's basic problems, i.e. surpluses, refunds and Mediterranean products, is that we should go back on the conclusions contained in the reply to the 30 May Mandate, as Mr Gautier said a short while ago. Similarly the report rejects the proposal for gradual alignment with regard to cereals, which will mean, if we have followed the advice of the Committee on Agriculture and in view of the prices forecast for the next marketing year, that we will once more have 'sky-high' refunds. Hence the Commission and Council proposals that the intervention price for dairy products, when deliveries exceed 0.5% of the preceding year, be reduced have basically been rejected.

In these key sectors, i.e. cereals and dairy produce, an attempt is being made to re-establish the old guidelines which were made redundant by Parliament proceedings and decisions by the Council itself. We are here referring to the following Commission and Council proposals: progressive alignment of prices with world prices, and a reduction in milk that, for this year, Mr Dalsager, should be not less than 2.2%, since deliveries to dairies have increased by 2.7%.

Vitale

We have further evidence of the inefficiency of the co-responsibility levy in itself if it is not accompanied by a reduction in intervention guarantees. Beyond a certain production level, the type of proposal made in Mr Eyraud's report, however sensible, is not sufficient.

We believe that unless we continue with this progressive reduction in guarantees, the good intentions expressed by the Committee on Agriculture, in the Mouchel report's section on Mediterranean products and, yesterday, in the Sutra report, will not be very credible.

Let us not forget today how we voted yesterday! Can we seriously think that, in the light of the present budgetary situation mentioned by the spokesman for the Committee on Budgets, a Mediterranean policy can really be conducted on the basis of costs which are higher than if we were to follow the advice of the Committee on Agriculture for both milk and cereals, in a year for which price differentials are predicted for world products which will push these farming costs sky high? This is therefore a question of consistency.

We agree with only two of the points contained in the Mouchel report. In particular, as I have stated, we agree with the reference to the need to respect the date set for the fixing of prices, 1 April, and secondly on the adoption of special measures to allow for the different rates of inflation. This year the average inflation rate in the Community fell, but the difference between minimum and maximum inflation rates increased, making the usual reference to the average rate less significant.

This year the Commission and Council will have to intervene with various measures: with regionalized interventions and proposals which affect not only profits — and this is a point which I should particularly like to emphasize — but also production costs. For example, regionalized measures should be drawn up for working assets which would reduce the effects of the different levels of inflation.

We will be able to go over all these proposals again when we discuss the Commission's proposals on farm prices and related measures. What we are saying now is that the proposals presented by the Committee on Agriculture seem inadequate in their attempt to conciliate the admittedly necessary protection of farmers' incomes with the decrease in purchasing power for the Community consumer, when the world market is becoming increasingly unstable and turbulent.

We therefore disagree with these points contained in the Mouchel report.

Mr Dalsager, Member of the Commission. — (DA) (in writing) Mr President, I am pleased that Parliament and its Committee on Agriculture have taken the initiative of holding this debate. Mr Mouchel has drawn

up an interesting and detailed report on the framing of the price proposals, and Mr Eyraud's report on co-responsibility in the dairy sector is a clear and useful basis for discussion. I should like to thank them both.

The Commission's role in today's debate is a fairly limited one. I am not here to make and defend proposals or argue preconceived ideas. I have come with an open mind and am ready to listen to Parliament's views. You have chosen to hold this debate during the November part-session, precisely so that the Commission would be able to draw up its price proposals on the basis of your resolution. I cannot promise that we will follow Parliament's recommendations in all respects, but I can assure you that we will take due account of your views.

First of all, I should like to say a few words on the timetable for our price proposals — which is also the first point dealt with in the Mouchel report. The Commission intends to do its utmost to submit its proposals before the end of the year, and I very much hope that we will be able to submit them in mid-December, as proposed by the Committee on Agriculture. This would give both the Council and Parliament enough time to deal with the proposals, so that the decisions can be made and implemented before 1 April 1983.

At the time of the last price negotiations, the Council failed to reach a decision until 18 May, to the great consternation of both Parliament and the Commission. It would be wrong to believe that this delay resulted from the proposals not being submitted until January. The real reason was that the agricultural prices were quite unjustifiably linked with other problems, and this must not happen again next year. Community agriculture must not, as it were, be held to ransom again.

Mr President, I cannot, in the short time available to me, go into all of the fifty points contained in Mr Mouchel's motion for a resolution.

I must say that some of the report is highly technical. For example, I do not think Parliament would want me to go into details about the premium for rye of breadmaking quality. It should also be pointed out that part of the report has nothing to do with prices. We must all realize that there are limits to what can and should be included in a price package.

As regards national aids, I do not think a separate report on taxation in agriculture would be useful, as suggested in the motion for a resolution. Questions of this kind should rather be included in the general study, which is currently in progress, of the economic significance of national expenditure on agriculture, the results of which will naturally be submitted to Parliament as soon as they are available.

Having said this, I should like to concentrate on four points. Firstly, the general background to the price proposals, secondly, the long-term strategy for the

Dalsager

common agricultural policy, thirdly, the cereals sector, on which I have a few specific remarks to make, and fourthly, the dairy sector, on which I should like to comment in connection with the Eyraud report.

What, in fact, are the general considerations on which our price proposals should be based? Sometimes I get the impression that some people, including even some of the Members of this Parliament, think there is a mathematical formula for arriving at the agricultural prices, and sometimes I almost wish it were true since, if it were, and if we could simply leave the job of price fixing to a computer, life would be a lot easier for myself, for you in Parliament and for the Council. You would have no need to hold these debates, and the Ministers would not have to spend interminable days and nights negotiating, which would mean that we could all make better use of our time.

However, life is not so simple. There is no mathematical formula for calculating agricultural prices. Even the so-called 'objective method' developed by the Commission in the 70s provides only one indicator among many others.

In the same way as last year, we will indicate the results of this objective method in the price proposals in the light of the most recent data. However, in the final reckoning, the price fixing is a matter of assessment and choice. What we have to do is to take all the various factors together — i.e. the economic, social and even psychological factors — and take a political decision. To give an example, it is easy to say that agricultural prices in all the Member States should rise each year by exactly the increase in agricultural production costs. The idea seems straightforward enough and one which everyone can understand. Indeed, it sounds like the answer to the problem of agricultural incomes.

However, what about the reality? What account does it take of the fact that technological advances and increased productivity enable our farmers to produce more for less each year? What margin does it allow for fluctuations in production from one year to another as a result of weather conditions and size of harvest? How can the theory be reconciled with the fact that there are different inflation rates in the various Member States? How does it permit us to solve the problem of increasing production?

No, there is no magic formula. The Commission, like Parliament and the Council, must try to strike a balance between a whole range of considerations.

Let us therefore consider the general background this year. Firstly, economic growth has been minimal, even if the average inflation rate in the Community is steadily falling — i.e. from approximately 11% in 1981 to 10% in 1982 and, we hope, 9% or less in 1983. Industrial incomes in real terms are stagnating and the unemployment figures are steadily increasing.

On the other hand, developments in agricultural incomes have been favourable. Our provisional estimates indicate that the prices received by agricultural producers in 1982 rose by more than their costs and that average agricultural incomes in the Community will rise by between 4% and 5%. This is a turning point.

The situation on the agricultural markets is not so encouraging. In various sectors, the long-term trend is still for the increase in production to outpace consumption. Production is rising while consumption is at best stagnating and, in a number of cases, falling. The record yield in 1982 — for example in the case of cereals and milk — clearly demonstrates this underlying trend.

The situation as regards stocks is not critical for the moment. Thanks to our effective management the situation is under control. However, let us not have any illusions. The coming months and years will be difficult. There have been remarkable developments in the export markets in recent years. Our agricultural exports have increased faster than our imports, but a large proportion of this increase has consisted of exports to developing countries, which are currently going through serious economic difficulties as a result of a lack of economic growth and credit restrictions. We can and must keep our export market, but we will not be able to find new markets if there is no demand or if countries cannot afford our products. There is also the fact that the stocks of other agricultural exporters throughout the world are full to overflowing with sugar, cereals and dairy produce.

The implications for the common agricultural policy are clear enough. We cannot encourage production for which there is no market, as this would have catastrophic consequences. Instead, we must continue with the programme drawn up by the Commission over a year ago, i.e. we must fix realistic guarantee thresholds for production and see to it that producers also bear some of the cost of disposing of production in excess of these thresholds. This is a long-term programme which was partially introduced by the Council last year. Next year we must vigorously and resolutely continue along the same lines.

I should also like to remind Parliament that this programme is in fact based on Parliament's own recommendations in the Plumb report, which was adopted in 1981. In the resolution, you called on us to fix global Community quotas for each sector, and we have done so in the case of certain important products such as cereals, rape, milk and processed tomatoes. We therefore urge you at least to support the measures you yourself advocated. It is on this point that I find the Mouchel report unsatisfactory. No mention is made of guarantee thresholds, and at no point does it help us to promote the long-term strategy which agriculture so urgently needs. I would urge you not to disregard this point when you come to vote.

Dalsager

I should now like to deal with a few other general points on which the Commission goes along with the Mouchel report and is grateful for the way it has been drawn up. Yes, we do intend to discontinue both the positive and negative monetary compensatory amounts as far as possible, i.e. while taking account of the consequences for both agricultural incomes and the economic situation. Yes, we are in favour of some differentiation in price increases, so that prices for certain products will rise more than the average — as in the case of certain protein plants and several Mediterranean products last year. However, this also means that prices for certain other products will rise by less than the average, and this brings me, obviously, to the cereals sector.

The Commission's strategy in the cereal sector is quite simple. It is based on the idea of making our cereal prices more competitive *vis-à-vis* our major competitors by reducing the difference between the two prices over a certain period. As far as we can see, this is the only rational course of action in a sector where our agricultural techniques are effective, your harvests are copious and steadily increasing, and in view of the fact that we are already a major exporter and intend to keep things that way.

Another thing we intend to do in our cereals policy is to gradually reduce the preference for imports of cereals substitutes such as manioc and maize gluten, which have increased rapidly in recent years.

In the meantime — since this will be a long-term measure — we recognize the need for an interim arrangement to stabilize imports of cereals substitutes, as advocated in the Mouchel report. We have concluded an effective agreement regarding imports of manioc and are currently working on measures for maize gluten. I can assure the rapporteur that I entirely share his views on these points.

I should now like to say a few words on the Eyraud report on co-responsibility in the dairy sector. I realize that this is the result of a lengthy debate in the Committee on Agriculture and it is, I think, a valuable piece of work. The Commission makes no bones about the fact that it very much sympathized with the doubts expressed by Mr Eyraud with regard to the co-responsibility levy in its current form. The co-responsibility levy has not curbed the increase in milk production. It does not distinguish between large-scale producers and family holdings and, for this reason, there is definitely a lot to be said in favour of modifying the arrangement along the lines proposed in the report. In fact, we ourselves last year proposed something very similar to what is suggested in paragraph 6 of the motion for a resolution in our 'memorandum' on guidelines for European agriculture.

However, the Council decided to continue the levy in its present form, but accompanied by a direct subsidy of 120 million ECU to smaller milk producers.

Frankly, I do not think the prospects for radical changes in the co-responsibility levy are any more promising than they were last year, and the same is true in the case of a supplementary levy.

Having said this, however, I do not wish to anticipate the Commission's proposals in this field. We must carefully examine the proposals which have been made and incorporate them in our global strategy. I will, however, make the Commission's views clear on one point. It has never been our intention that the total revenue from the co-responsibility levy should be spent on the programme of special measures which is drawn up each year in consultation with the producers' organizations. We have consulted them and used a large proportion of these revenues for these programmes designed to extend the milk market. However, revenue from the co-responsibility levy is, in budgetary terms, negative expenditure, which means that that part not used for special programmes is automatically included under general expenditure in the guarantee section, where we have major programmes for extending the markets for milk and dairy products and disposing of surpluses — and I should like to remind you that the general costs for milk, which represent a large proportion of expenditure under the guarantee section, are always several times greater than the revenue from the co-responsibility levy.

Mr President, I have already spoken on the Commission's recent proposals for short-term measures for disposing of butter and long-term measures which should be introduced if the guarantee threshold is exceeded. I will not repeat all the details now. Suffice it to say that we are resolved to continue with, on the one hand, appropriate management of the market by means of vigorous sales drives and, on the other hand, effective measures to prevent an excessive increase in production. As we stated during the previous price negotiations, we still think that the most effective thing we could do — which would also constitute an unambiguous gesture for the benefit of the producers — would be to reduce the intervention price as deliveries increased.

Finally, I should like once more to remind Parliament that there are limits to what can be done with a price package. Indeed, there are limits to what can be done merely by means of prices alone. We cannot use price policy to solve development problems for the underdeveloped agricultural areas, nor can we solve income problems, either in the Mediterranean area or elsewhere. In order to be able to do this, we will need to strengthen our structural policy and, to an even greater extent, we will need an action programme for the Mediterranean regions. The Commission intends to submit proposals in both these fields.

President. — I call Mr Curry.

Mr Curry. — Mr President, in view of the willingness of a number of colleagues to renounce their speaking

Curry

time, may I ask you to accept that we continue this debate until 6.30 p.m. and then proceed to the vote.

President. — Mr Curry, the speakers have so far not withdrawn. That means that there is still about one hour's speaking time left. The vote on this report will probably take more than one-and-a-half hours, which means that we cannot finish by 8 p.m., in addition to which we have still two other reports to vote on. That is why I wish to proceed according to the agenda as agreed and vote first on the two reports which we can vote upon, then we can see what can still be done before 8 p.m. I think there is no other solution.

I call Mr Bocklet.

Mr Bocklet. — (*DE*) Now that you have made this decision, Mr President, I request pursuant to Rule 86 that the debate be closed. This request was tabled earlier but there was no vote on it since there was first of all a motion to ascertain the quorum. There was no quorum and so this request could not be voted on. Consequently, Rule 86(4) does not apply in this instance. I accordingly move pursuant to Rule 86 that the debate be closed, so that we can then get on with the agenda in a proper fashion.

President. — Are there enough Members to second Mr Bocklet's request?

(*More than ten Members rose*)

I call Mr von der Vring.

Mr von der Vring. — (*DE*) Mr President, there was supposed to be a vote on this request but it was ascertained that there was no quorum. The Rules of Procedure state:

If the vote shows that the quorum is not present, the vote shall be placed on the agenda of the next sitting.

We cannot repeat the procedure because it would mean, if we did, that we should be voting twice on the same motion.

President. — Mr von der Vring, the motion to close the debate was not rejected because no quorum was present. I cannot infer from the Rules of Procedure that a second motion could not be voted on.

I call Mr Gautier.

Mr Gautier. — (*DE*) Mr President, I thought Mr von der Vring had made it clear that the Rules of Procedure state that if there is no quorum, the matter can be

put to the vote at the earliest at the next sitting. It is either this rule or Rule 86(4) which applies.

President. — This would mean that you are now asking for the quorum to be ascertained.

Mr Gautier. — (*DE*) No, there is no need at all for that.

President. — I call Mr Nord, who is an expert on the Rules of Procedure.

Mr Nord. — (*NL*) Mr President, the Rules of Procedure do not say anywhere that if there is no quorum, the vote must be postponed until the next sitting. Instead, the Rules of Procedure say that if the result of the vote shows that no quorum is present, the matter is placed on the agenda of the next sitting. Since there has been no vote, there is no result to show anything. I therefore request you now, instead of wasting any more time on this matter, to put to the vote the request to close the debate.

President. — Your interpretation is exactly the same as mine. We shall therefore vote on the matter.

(*Parliament agreed to Mr Bocklet's request*)

6. Votes¹

LINKOHR REPORT DOC. 1-654/82 RESEARCH)

Paragraph 46 — After the vote on Amendment No 23

Mr Adam. — There is a problem here in that we should like to know what is going to happen to Amendment No 6, because I understand that it might be subject to some slight amendment. If that is the case, we should prefer to vote for Amendment No 6 instead of No 19. Could that be explained before we vote on Amendment No 19?

President. — Amendment No 6 is an amendment which adds a special element after the paragraph. It will not be modified because the mover is not present, so we have to see it in the text as it is tabled, and on that basis you have to make up your mind on the other amendments.

MOUCHEL REPORT (DOC. 1-837/82 AGRICULTURAL PRICES)

After the adoption of recital F

¹ See Annex.

President. — I call Mr Vgenopoulos.

Mr Vgenopoulos. — (GR) Mr President, we have not reached the end of the list of speakers on the Mouchel and Eyraud reports. The debate should be continued. Why are voting?

President. — I repeat that we are voting on the Mouchel report because it was decided to close the debate. All the Members who are down to speak are affected by the decision, but there was a decision to vote and that is what we are going to do.

Paragraph 5, subparagraph (a) — Amendment No 55

Mr Mouchel, rapporteur. — (FR) Mr President, this idea was rejected in committee. To get things straight, it is not a question of being against the aims of the Treaty of Rome. Here we are dealing solely with agricultural matters and farm prices, and that is the reason I am against the amendment.

Paragraphs 9 to 13 — Amendment No 28

Mr Gautier. — (DE) Mr President, as the Christian Democrats voted for the budgetary control report by Mr Wettig the day before yesterday, I should like to request a roll-call vote on this amendment which is exactly the same in content.

Paragraph 16 — Amendment No 2

Mr Mouchel, rapporteur. — (FR) Speaking personally, Mr President, I can only agree with regard to Amendment No 2. The committee, however, was against it since it felt that it ought to be in the Eyraud report.

Paragraph 17 — Amendment No 40

Mr Mouchel, rapporteur. — (FR) I am quite willing to accept Mr Papapietro's amendment if he will just change one word and substitute *increase* for *reduction*.

After the vote on the amendments and before the explanations of vote

President. — I call Mr Eyraud.

Mr Eyraud. — (FR) Mr President, I want to ask the Members who wish to give explanations of vote to submit them in writing so that we can get on with the voting.

President. — The Members are aware of the rules and of this option which is available to them. If they do not use it, it is up to them.

After the adoption of the resolution as a whole

We are now faced with the problem that the vote on the Eyraud report will take 30 minutes. Shall we vote today or tomorrow morning?

I call Mr Eyraud.

Mr Eyraud, rapporteur. — (FR) I should like my report to be put to the vote now, Mr President.

President. — Mr Eyraud, according to the Rules of Procedure it is my job to make the proposal. In view of the feeling in the Chamber, I do not think it would be a good idea. I shall not therefore do so. The motion for a resolution will therefore be put to the vote at the next voting time.

(The sitting was suspended at 8 p.m. and resumed at 9 p.m.)¹

IN THE CHAIR: MR ESTGEN

7. Economic situation in the Community (annual report) (continuation)

President. — The next item is the continuation of the debate on the report (Doc. 1-822/82) by Mr Ruffolo.²

I call Mr Enright on a procedural motion.

Mr Enright. — In view of the lack of interest, Mr President, could I move under Rule 87(1) that we adjourn this debate until the December part-session?

President. — I call Mr Beazley.

Mr Beazley. — Mr President, I would like to oppose the motion. This is a very important report. I appreciate that it is a discourtesy to the House that the Members concerned are not present to speak, but we must admit that during the course of this day and the whole of this session we have had a very mixed programme and it has been difficult for people to know just when they would be required.

But insofar as this is an important report, I would prefer that, given that we have got some speakers, it should continue.

¹ Motion for a resolution entered in the register (Rule 49): see Minutes.

² See debates of 17. 11. 1982.

President. — I call the Commission.

Mr Ortoli, Vice-President of the Commission. — (FR) Mr President, we began this debate yesterday at four o'clock. We adjourned it at 4.30 p.m. I cancelled my attendance at the Council meeting on steel where I think I could have been useful. I cancelled all my engagements.

I am willing to follow Parliament's opinion which is sovereign. May I, however, remark that this morning the President of the Parliament said it was important for your institution to take an initiative on economic and social issues in view of the high unemployment in the Community and that the Council will take a decision in December, if necessary without Parliament's opinion.

I therefore regret very much the request made by the Member and ask you to be good enough to continue the debate.

(Mr Enright withdrew his request)

President. — I call the rapporteur.

Mr Ruffolo, rapporteur. — (IT) Mr President, there is nothing very dramatic — I hope — about the fact that a rapporteur should give up trying to recognize his own hand in his report, when that report has been altered beyond the limits of flexibility that are inherent in any document that is a joint effort.

I say this so as to remove any suspicion of controversial susceptibility in a decision — the decision to withdraw my signature from the report — that stems only from purely objective considerations. Indeed, I wish to thank not only the chairman of the committee — for the manner in which he conducted the debate in difficult circumstances, and for undertaking to present the report — but also all my colleagues, for their very sincere and energetic contributions.

My decision, Mr President, comes from the fact that the amendments to my text have substantially altered its line of reasoning and have made it, in my view, unsuitable for expressing a decisive opinion.

The nub of the disagreement concerns the appraisal of the economic policy line that emerges from the Commission's document.

There is no disagreement regarding the approval of the first part of the document, which is of a diagnostic nature. The Commission's report, on this point, takes a very realistic view of the serious state of the Community's economy.

The crisis, as the report states, is of a long-term cyclical nature, not a short-term one: and also, there is

agreement on the verdict — for the most part critical — on the European Monetary System.

The disagreement hinges on the assessment of the economic policy measures suggested by the Commission. They do not seem to me to be adequate in their entirety to the problems made apparent by the diagnosis. Let me give the three main reasons for this disagreement:

First: the report of the Commission outlines the need to define objectives in terms of gross monetary product, for which — it is said — there are adequate instruments available, whereas it would be useless to define objectives in real terms of growth and employment. Well now, I do not find this convincing. Whereas there is no question about the need to fix objectives in terms of nominal aggregates, and to impose rigorous financial and monetary policies in order to achieve these objectives, it is necessary to fix objectives also in terms of real growth and employment. It is moreover possible to make the two sets of objectives compatible by means of a prices and incomes policy that will sufficiently open up the way to real growth.

Secondly: in the report of the Commission, sufficient emphasis is not given to the implications of the structural changes that have taken place where employment, growth and investment are concerned.

In the eighties — according to the projections supplied by the Commission's experts — gross Community product will increase, if the present trends are confirmed, by 1.6% per annum, and productivity by 1.8% per annum. Taking the new supply of labour into account, that will cause an increase of over 6 million in the unemployment figure.

In order to reduce this exceptional level of unemployment, and re-establish a state of equilibrium on the labour market, gross Community product will need to increase, at constant productivity, by over 4% per annum, but that would need very much more intensive investment than has been the case in the past.

That means, Mr President, that there are only two possibilities: either to resign ourselves to massive, long-term unemployment — and this, for us Socialists, is an intolerable prospect — or to tackle unemployment with new structural policies involving heavy commitments in the investment field and the labour market.

The third point of disagreement concerns precisely these policies, all trace of which — after the amendments — has almost disappeared from the report. A resumption in growth and in employment involves, on the one hand, the adoption of measures to make the market less congested — a reduction in social security expenditure, the restriction of indexed linking, the restoration of flexibility and mobility to the labour market. On these there are no differences of opinion,

Ruffolo

neither in relation to the Commission's report, nor amongst ourselves.

In my text, however, in addition to the actions designed to remove congestion from the market there were other actions aimed at actively promoting growth and employment. To get the machine started again, it is not sufficient simply to get rid of the rust. Nor is it sufficient to fill it up with Keynesian fuel, which evaporates with increased prices and imports. Growth has to be guided by means of income regulation policies, the promotion of investment, the sharing of jobs.

Incomes policies must be promoted, so that the race between prices and wages can be stopped short on the basis of social consensus and not by pursuing the natural rate of unemployment, when no-one can tell us what level that will reach, or whether, at that point, the invalid will still be alive.

The resources that are today directed by the State to the support of 'difficult' sections of industry, and to subsidize ever-growing unemployment ought instead to be diverted towards the promotion of industrial investment in those sectors that offer the widest market prospects; and to investment directed towards the creation of jobs, especially in those sectors of society that are not exposed, or are less exposed, to the constraints of outside competition.

Even an active investment policy, however, cannot in the medium-term make possible growth rates sufficient to absorb the labour supply. We therefore face the question of job sharing, and the reduction of working hours, to create fresh room for employment without affecting the employer's costs: naturally, job sharing must be accompanied by income sharing — and this makes negotiation necessary between the social partners that have to deal with the two separate problems in a single context.

These, Mr President, are a few important questions that are not adequately dealt with in the new text of the report and in the Commission's document — a document that has undoubted merit for many of its recommendations, but which does not appear to me to outline a proper strategy for dealing with this dramatic crisis.

Ours is no trifling disagreement, therefore. It originates from different conceptions of the roles of the State and the market respectively, in a crisis that becomes more threatening with every month that passes, and that needs tackling with new, extraordinary measures.

I should like however to end on a note of — how could I put it, Mr President — of agreement with my report, in part at least to avoid being accused of excessive intellectual masochism. I said that our committee expressed its almost unanimous approval of the final part of the report that I submitted: the part, that is,

that denounces the inadequacy of the action taken by the Community with regard to common monetary policy. How often, Mr President, have we heard the cries of anguish for the frailty of the EMS, and the pleas for a less harmful monetary policy than the one that the member countries of the Community are pursuing with mad determination, and so much injury to themselves? The Council of Ministers seems deaf to all of this. The Commission also appears somewhat hard of hearing, and its initiative still shows a subservience to caution verging on inertia.

Mr President, my decision to withdraw my signature from the report and submit amendments to the new text is certainly not due to any excessive attachment to copyright or royalties, but quite simply to the respect due from all of us to that modest theological virtue which, even sometimes in politics, deserves some consideration. I mean, of course, consistency.

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

Mr Herman. — (*FR*) Mr President, ladies and gentlemen, like some of you I deplore the circumstances in which this debate is being held, especially as Parliament wants to draw attention to the problems of unemployment, forgetting, it seems to me, that unemployment is first and foremost a result of economic policy. I also deplore the circumstances in which this report was drafted and debated in committee.

First of all we did not have the Commission's report, and we did not even have the rapporteur's text for the initial debate. That undoubtedly explains why our committee was unable to present a worthwhile report which represents a large consensus in our committee. And I regret that we have not bridged the gap between those who were mainly concerned about a fair sharing of incomes and sacrifices and those mainly concerned with competitiveness and investment. I regret it because I do not think the differences are all that marked. I believe that if we had had time for a longer and more detailed discussion, we could have reached a conclusion which would have been carried by a larger number of members.

Having said that, I wish to state that we fully endorse the Commission's report. We think the text is excellent, the analysis perceptive and the political conclusions courageous.

If I may make two comments, the first slightly reproachful. We feel that the Commission has perhaps not tried sufficiently hard to get its ideas across not only to the Council but also to the various governments. I know that it has submitted its views, that it has used its power to remonstrate, I am tempted to say, with the governments, but I think that in view of the serious nature of today's crisis we could have

Herman

expected more spectacular, decisive and persistent action. And my second comment is slightly regretful. The Commission admits in a very interesting section of its report that other countries have managed to create very many more new jobs, relatively speaking, than the Community. To quote two figures from your report, Europe has created 100 000 new jobs since the beginning of the crisis compared with 12 million in the United States.

And there are other countries — you quoted Japan, but this week's 'Economist' mentions nine countries in the Far East — who manage to save 25-30% of their gross national product, to invest almost the same amount, to keep a high growth rate and to create a significant amount of employment. And I regret that while we are deeply divided and very worried and do not know which saint to pray to for a miraculous solution, we have failed to pay sufficient attention to the performance of those countries who in international crisis nonetheless demonstrate clearly that growth can be maintained and employment created. This really, should teach us some lessons. I shall sum up these lessons here, as I did not find them in the Commission's report. What distinguishes these countries from ours is their extraordinary flexibility to adapt to external blows: the oil crisis, monetary fluctuations, soaring interest rates. These countries have managed to spread all these impacts wisely over all their production sectors and not put the brunt on to one only. Thanks to their flexibility they have succeeded in maintaining general economic balances which subsequently enabled them to achieve such performances.

In other words, when in our countries — and I am concluding, Mr President — we find a rate of collective taxes, fiscal and quasi-fiscal, which exceeds 50% whereas our rate of investment does not exceed 20-25% of our GNP, it is rather, if you will excuse the comparison, like a boxer who enters the ring with an injured knee and one arm behind his back to face an opponent in fine fettle on both his feet. And that is rather like the economy of Europe compared with the others. That is why I feel we have not learned our lesson properly in the Commission's report and that is my criticism of it.

President. — I call the European Democratic Group.

Mr Welsh. — Mr President, this issue we are discussing tonight is one on which we can have a genuine debate. It is one of those issues on which our friends on the left and we of the centre fundamentally disagree. There are two areas of what one might call ideological disagreement. The first thing is that Mr Ruffolo and his friends believe sincerely that government intervention is on the whole guaranteed to provide better economic solutions than the free operation of the market. My friends and I believe that in economic terms the operation of the market is on the whole

benign and that it goes wrong when governments start to tinker.

I said that this was an ideological debate, and no doubt we could go on for a long time. I would merely observe, however, that on the whole the track record appears to be on my side. If one looks at the socialist economies on the other side of the Iron Curtain, which are paradigms of intervention, and compares them with the free market economy of Germany, which even under the former socialist government provided its citizens with the highest standard of living in Europe with the minimum of government interference, I think one is forced to conclude on the facts that, whatever Mr Ruffolo or anyone else may say, we have not yet seen a better system than the free operation of the market. As rapporteur he produced a draft which was a very clear and lucid statement of the socialist point of view. I do not think he should feel in the least bit hurt or upset if that particular socialist view is not adopted by the majority of the committee. What it has done is that it has actually given us a chance to debate, and perhaps we should do that a little more often.

The second major area of disagreement is that we believe that the end of economic activity is the creation of wealth, while Mr Ruffolo and his friends believe, or at least say they believe, that it is the creation of jobs. That is a very fundamental difference indeed. I recall the very first time I visited Poland, when I was told proudly that Poland had an unemployment rate of less than 1%. When I got into the lift at my hotel I found that there were no less than three Polish workers who took it in turns to press the button on the lift to take me up to the floor on which I was staying. Now, of course, they all had jobs, but I must ask Mr Ruffolo if that is the end of all economic activity and if that is really the sort of world he wants to offer Europe.

We believe that if one creates the wealth, that in turn will create the activity which will create the employment. Then one will have the benefits which one can redistribute to improve social conditions and indeed improve the infrastructures of the poorer parts of the Community. However, unless one has created that particular wealth in the first place, there is nothing to distribute. The entire history of Europe over the last 5 or 10 years has been one of governments desperately attempting to distribute wealth that had not been created, and for us that is the nub of our problem.

We believe that there are a number of important things that the Commission can do to justify its mission. We believe, for instance, that it should strenuously reinforce and defend the freedom of the internal market. We believe that it should aggressively and actively develop new policies in fields where Community policies make sense, such as energy, research and development, new infrastructures. We believe that it should promote an expansionist trade policy.

Welsh

I must say that I was amazed this morning in the steel debate to hear a colleague from over there say that what they were doing in France was not protectionist because they had a deficit. Now, I ask you to think about that, ladies and gentlemen. If you are entitled to be protectionist when you have a deficit with a particular country, what is going to happen with the countries with which you have a surplus? Is Switzerland, for instance, entitled to take protective measures against France, because France actually has a major trading surplus with Switzerland? It is this kind of illogicality that one finds in so many quarters, and I think the Commission must be prepared to attack and expose it whenever it can. That is what I mean by an expansionist trade policy.

Finally, passively, what the Community can do and does is to promote cooperation. One of the great successes, I think, has been the degree to which the Finance Ministers of the ten Member States, irrespective of their political views and backgrounds, have been able to establish a genuine working relationship together. That is why we have not actually got into a terrible series of competitive devaluations, as would have happened in the thirties before the Community existed. That is the sort of cooperation the Community and the Commission can promote, and that is what is in their report. What they cannot do is have 14 men, even if they were all as wise and eloquent and committed as Mr Ruffolo, produce a set of prescriptions that would cure the entire spectrum of Europe's economic ills and enforce the said prescriptions on the Member States.

President. — I call the Communist and Allies Group.

Mr Bonaccini. — (*IT*) Mr President I should like to add a few points to the expressions of regret from other members. The first point is whether this type of debate is useful. I am one of those who believe that it is: however, the Commission should help us to understand what happened to the decisions that we took, the reports, the choices we have made in the past between alternative lines of action, and what their consequences have been. In this way, Mr Welsh would already have some of the answers he is seeking.

I should like to add that I am in agreement with Mr Welsh — there is total disagreement here. But I shall not be so generous as to agree that this total disagreement is of an ideological nature, because it is not: it is a disagreement about interests and alternatives. The interests and alternatives that have animated our debate.

Mr Welsh may think what he likes, but it is a feature of economic systems — at least modern ones, not those of 300 years ago — that they are able to provide positive solutions; they are able, that is to employ, productively, all the resources that they possess. I do

not think that this is the case with us: it does not appear to me that our countries have succeeded in doing this.

We supported the first draft of the report precisely because it concentrated on the problem of productive employment, which is a subject that concerns, or should concern, all of us.

From this point of view I wonder whether the report provides an answer. The various points are extremely confused and ambiguous. May I ask you, ladies and gentlemen, to read points 8, 9, 11 and 12.

You will be extremely clever indeed if you succeed in finding any sense in sentences that tell you you can have your cake and eat it. There are so many contradictions in what is said. What then is the kind of choice — I will call it that — that can be used to tackle problems facing Europe today, that are no longer the problems of a year ago? The fight against inflation must be accompanied by a policy capable of 'reflating' the economy — reflating it, that is, for precise productive aims. This is the investment policy, and this policy must be the central, focal point of our attention. 'Reflation', yes, (and I know what misunderstandings, what ambiguity this word can lead to) but a 'reflation' aimed at productive investment, a reflation that is many-sided and capable of providing effective answers through control of the cost of living and speed of decision-making in business and industry. This is the only medicine capable of providing an answer, in the present state of things.

From this point of view the Commission has made some progress, for example, with the pressure aimed at raising the ceiling for the various sources of Community finance. We know, also, what difficulties there are in this connection. I should like to say that the speech of the President-in-office of the Council yesterday showed once again — and I say this without any intention of offending — the absolute emptiness of the observations that were made.

The point is that those thousands of millions of ECU which may represent a considerable sum, have so far been spent so many, many times in words only and, if I have properly understood what the President of the Council said, we have still got a long time to wait before they become operative; and in the end no stimulus will have been provided towards the development of a policy of productive investment which — I repeat — is the essential thing.

Such being the state of affairs, and not for any ideological differences but because of a difference of interests and political approaches, whilst we will support certain of the amendments now submitted I do not think that in the end we shall feel able to vote for this motion for a resolution.

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

Mr Deleau. — (FR) Mr President, ladies and gentlemen, our group has quite deliberately tabled an oral question with debate, pursuant to Rule 42, to the Council of the European Community on strengthening the European Monetary System. The question is highly topical and we welcome its being taken jointly with the Ruffolo report for it is one of the elements of the latter.

This is not the first time that our group has shown special interest in the European Monetary System. We did so in the February part-session in the debate on the Purvis report.

Today we are asking the same questions in view of the worsening economic crisis in the Community. This debate on the economic and monetary situation is taking place in a critical international environment and makes us think hard and ask certain questions.

Just imagine what would happen to our currencies *vis-à-vis* the dollar in the present situation if there were no European Monetary System. Anarchy would reign on the exchange markets and certain countries could throw all sense of responsibility with floating currencies to the winds. Panic would reign in our industrial firms who would then be deprived of the possibility of forecasting their exports, purchases of imported goods or their investments abroad.

Of course the EMS is subject to frequent changes in exchange rates. I think there have been six changes since it was created. A lot undoubtedly, but fortunately they were decided on jointly and they were not excessive.

The European Monetary System offers an escape from the daily obsession with exchange rates during periods of stability, which have sometimes lasted longer than a year, and it provides a less precarious monetary system than the international system. This stability, although relative, is important because it concerns an intra-Community trade of 275 000 million ECU, or about 50% of the total external trade of the ten Member States.

Until such time as conditions are present for a return to a new stable international monetary system, the EMS will help us keep a large part of our external trade away from the present international monetary disorder which encourages speculation with available capital and distorts conditions of competition. Furthermore the European Monetary System directly encourages — and even gives the lead to — economic discipline which must be imposed on Member States. No healthy growth can be reactivated without this discipline in the years ahead.

Finally the EMS shelters us from three major dangers in the present crisis:

- firstly the threat of competitive devaluation, like the last one in Sweden;

- then, the total destruction of the common agricultural policy that would ensue;
- finally, the threat of seeing the dollar abuse even further its dominant position.

The EMS should henceforth be regarded as one of the pillars of the Community, a fundamental achievement of the order of common policies to which it gives great support. The Commission's proposals to strengthen it, particularly in the use of the ECU, are certainly praiseworthy, but insofar as they are set against an institutional background they will meet with resistance from the Member States who do not want to risk any transfer of sovereignty.

Any attempt to act too fast, both as regards transfers to the European Monetary Fund and the development of the ECU, would assume that present problems had already been solved. The strengthening that we want is more an improvement in the existing mechanisms, but the EMS alone cannot guarantee the necessary monetary stability unless accompanied by a parallel unanimous attempt at convergence.

The monetary mechanisms, and particularly the EMS, should facilitate this convergence and this is the second series of improvements in the European monetary policy we would like to see. This can be done by a more balanced distribution of the burden of supporting the currencies, by encouraging free circulation of capital and not penalizing too much countries in structural difficulties.

We believe there must be greater Community solidarity, bringing all the Community countries into the European Monetary System, including of course Great Britain and Greece, and insisting that if Spain and Portugal accede to the Community they must join the EMS.

The fourth and last improvement we wish is by no means the least; we must ensure a chain reaction outside the Community in the European monetary zone, by coordinating firstly the European monetary policies *vis-à-vis* the dollar. A policy of coordination based on an agreement to end the war between interest rates and exchange rates would greatly help to discourage movements of capital which follow the slightest gap in interest rates or the faintest movement in exchange rates.

In conclusion, Mr President, ladies and gentlemen, the EMS should enable Europeans to speak with one voice, which the Community needs. The Council must therefore strengthen the system in the interests of a convergence of European economies. Ladies and gentlemen, that is the contribution we wished to make to this debate.

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

Mr Bonde. — (DA) Since 1974 the various Member States have been exposed to so called binding guidelines. I would like to ask the Commission to what extent these guidelines have worked?

I would like to take this opportunity to compare Danish expectations of EC membership with reality after ten years in the EC.

'The EC safeguards full employment.'

But unemployment has grown from 21 800 in 1973 to 263 000 in 1982, plus 63 000, who have been expelled from the work market to early retirement. From 1972 to 1981 the unemployment rate has grown from 1.7% to 9.2% in Denmark. It need not be this way. In the small countries who did not join the EC and who are content with a common trade agreement, the unemployment is less. In Norway it has grown from 1.0% to 1.7%. In Sweden it has fallen from 2.7% to 1.9%. In Austria it has risen from 1.9% to 2.4%. This is reality.

'The EC ensures lower interest rates and thereby an increase in the building sector.'

The effective interest rate of long-term bonds has increased in Denmark from 11.3% in 1972 to 19.3% in 1981. In Norway it has increased from 6.3% to 12.1%, in Sweden from 7.3% to 13.5%, in Austria from 7.4% to 10.6%. The number of new flats erected has fallen from 63 000 in 1972 to 17 000 in 1981.

'The EC safeguards a higher income for the employees.'

From 1973 to 1981 productivity per hour has been increased by 33.6%, but, the hourly real wages before taxes for workers who are members of the Danish TUC have increased by 13%, and the real wages on a yearly basis for the same worker has fallen to 99% after taxes. A civil servant's real salary on a yearly basis has fallen to 93.9% after taxes in 1981.

The EC should also secure Denmark a large market.

In 1972 Denmark's trade deficit with the EC amounted to 3 billion DKR. In 1978-1979 it had grown to 11 billion DKR. During the first years of Denmark's membership, from 1973 to 1981, Denmark has reached an accumulated trade deficit with the EC of 70 billion DKR in current prices.

Another claim was, that the EC would safeguard lower price increases.

From 1972 to 1981 the consumer price index in Denmark grew to 254.2. In Norway it grew to 223.7. In Sweden it grew to 235.9. In Austria it grew to 176.9.

Last but not least, the EC would safeguard the future of Danish agriculture.

What has happened to Danish Agriculture? Well, if we look at the gross income at factor cost before taxes, before depreciation, before profits, then in 1980 it amounted to only 87% of the gross income at factor cost in 1972; and, if we look at the budget for the single farming families, then the figures are even worse. In 1980 an average Danish holding earned only 32% of what they earned in the year the vote was taken for EC membership in order to get higher prices within the EC. This is reality, even if some in this Chamber think that, for example, Danish farmers are skimming the cream off the milk in the Common Agricultural Policy of the EEC.

In the popular movement against the EC we do not claim that it is the EC membership itself, or Mr Ortoli's binding guidelines that are to blame, for all the disasters that have befallen our country after our accession to the EC. But we have a right to state that at any rate the EC has not helped us to solve our economic problems. And when the EC cannot help us to solve our economic problems, the conclusion is simple for us: then we must solve them ourselves. And when the EC cannot help us to solve our economic problems, there exist no arguments whatsoever for the majority of the Danish population to stay in the EC, because, according to the latest opinion polls only 13% of the electorate support the development of the EC as a union with a common foreign policy. The concept of a political union has never been supported in Denmark. It has only been economic expectations, expectations of economic progress, which has made a number of Danes — in still diminishing numbers, however — support the EC. When the EC cannot even safeguard economic progress, no one in Denmark can come forward with serious arguments for the continuation of the Danish membership of the EC, and we will therefore recommend that the Danes exchange their fully binding EC-membership with a common trade agreement like that which all the Nordic countries have with the EC.

President. — I call the non-attached Members.

Mr De Goede. — (NL) Mr President, the annual report of the European Commission on the economic situation and the prospects for 1983 is, I think, more realistic than it was in previous years. But then a revival was expected at any moment; unfortunately it did not come about.

Recently there have been some encouraging signs, such as a less restrictive monetary policy in the US and the subsequent drop in interest rates, which has also happened in the Community. We have also decided on a Community policy for trade with the Eastern block and I hope we have now started to improve coordination in United States and Community policies in other economic sectors, such as steel and agriculture — but the situation is worrying.

De Goede

Although inflation has dropped considerably in a number of countries, the price we are paying for it is outrageously high, namely the hitherto unknown unemployment figure of 12 million.

The present economic situation is worrying and dangerous — worrying because of the combination of economic decline and very grave structural problems, and serious because of a threatening financial crisis in international banking together with the insolvability of an increasing number of developing countries.

The first thing to be done in my view is to develop a Community strategy. Re-nationalization and all kinds of protectionist measures we see hinted at only lead us deeper into the morass. Coordination and convergence are essential to any solutions. We fortunately have the European Monetary System but it is weak and fragile. It offers inadequate protection against major fluctuations in the exchange rate of the dollar, for example, and it does not represent a coordinated economic policy; it is at most a mechanism for coordinating adjustments of exchange rates in the face of continuing differences in inflation rates in the Community countries. We must strengthen the Economic Monetary System. We must maintain and develop further the internal market and any counter movement such as the recent French action to restrict imports must be rejected outright.

Of course the stringent budgetary measures of some Member States may be necessary, occasionally even highly essential, but we must beware of taking measures which despite their good intentions create more problems than they solve. Wiping out tens of thousands of jobs in the public sector, destroying some of the demand which has purchasing power are questionable ways of combating unemployment.

We will have to reconsider the social insurance systems which were created at a time of macro-economic growth and now contribute to our problems. Simultaneously we must have programmes for retraining and further training of redundant workers and for creating new jobs. And here we must reproach the Council once more that despite all declarations of good intent from Jumbo Councils, European Councils and normal Councils there have been drastic cuts in the budget items proposed by the European Commission, for example in combating unemployment among young people. Words and deeds do not match up. It is socially unacceptable that millions of young Europeans at the end of their professional training only face a future of unemployment and uselessness, and measures to improve the situation on the labour market are urgently needed.

In conclusion, Mr President, may I say that the medium-term economic policy should concentrate on measures to help industry adapt to the modern development of technology and competition. Public expenditure should also be restructured to provide

new stimuli to the economy. Even a spectacular economic recovery would still not provide full employment. Action is needed in areas of structural decline, for example in our competitiveness with Japan. I think we have the capacity provided we display the political determination to unite and act.

President. — I call the Socialist Group.

Mr Glinne. — (*FR*) Mr President, by way of introduction to the oral question which I have had the honour of tabling, I should like to say that we feel a certain degree of embarrassment, firstly because the Council of Ministers is today having a special meeting on steel in Copenhagen, and the most alarming, not to say alarmist rumours are circulating about a reduction in production capacities of up to a third, it is said, in the steel sector.

On the other hand, on a more positive note, our House adopted this morning in an urgent debate a recommendation for optimal organization of consultations on the general aims on steel for 1985, fearing that the objectives initially agreed upon were unfortunately over-optimistic. However, the same resolution in paragraph 13 which we adopted this morning proposes holding a European conference on steel with representatives of the Council, the Commission, trade unions and employers in the steel sector. I wish to add that the regions affected by the decline in the steel sector should be included in this within the Member States, and I have before me a report of a meeting of towns and regions with steel problems held in Terni on 7 and 8 February 1980 at the initiative of the regional government of the Ombrie. This proves clearly that the regions suffering from decline in the steel sector must be involved in all joint consultations, programmes and action.

The problem is serious, as was stressed this morning. According to the forecasts of the Commission itself, steel consumption which was very low during the third quarter of 1982 will remain at the same disastrous level in the fourth quarter and will therefore be at an annual rate of 100 million tons, that is below the lowest level, it is claimed, since the ECSC was created in 1952. It is at any rate 6% less than the Community consumption forecast for the whole of 1983 compared with 1982. One could say — and I think in fact it was Vice-President Davignon who actually did say so — that 1982 should be the year of assessing the damage, and 1983 the year of taking strategic decisions.

Be that as it may, the crisis is serious. It hits some steel areas more than others, bringing heavy redundancies for all but massive unemployment for some. For some years now our group in Parliament has been calling for the need to provide funds for accompanying social measures for victims of the steel crisis in all areas and in the most vulnerable areas, and in its extraordinary

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budgetary part-session last October the Parliament adopted by a majority an amendment to increase funds for this purpose.

Leaving aside the structural problem of the steel crisis and before the Copenhagen meeting, I should like to recall that the Commission, through Mr Giolitti and Mr Davignon, has proposed that a considerable sum be used for reconversion in areas hit by the steel crisis.

In conclusion, Mr President, I believe that we must effectively make the necessary finance available for creating regional aid programmes if we want in time to create alternative employment, improve infrastructures and facilitate professional training and retraining. But press reports contain certain confusing claims and this evening's debate should help to shed some light on the matter; is it 700 million ECU over a period of five years for the non-quota section of the ERDF for all of the problem areas? What is the proportion of this 700 million — some newspapers talked about 230 million — which is earmarked for steel? How does the Commission communicate with the Council and national governments to ensure that its judicious programme for reconverting the hardest hit steel areas is put into practice? That, Mr President, is the substance of our written question.

President. — I call Mr Papaefstratiou.

Mr Papaefstratiou. — (GR) Mr President, dear colleagues, the annual economic report by the Commission gives us a true measure of the present economic plight of the European Community countries. The figures themselves speak volumes, and unfortunately to a large extent confute the forecasts made last spring of an upswing in the latter half of 1982. Unfortunately, those optimistic forecasts have gone awry and instead of showing a growth rate in the order of 2% the current year is marked by stagnating production and negligible 0.3% growth. There are just two factors which could be considered positive: inflation has fallen faster than was expected, and interest rates are lower. However, in spite of this, hopes of a general recovery in the economies of Member States have not been realized, and this once more raises the question as to whether the crisis plaguing the European Community is not merely cyclical but also structural.

In our view the position taken by the Commission and likewise the report by our esteemed colleague, Mr Ruffolo, leave little doubt that this is the case since quite clear mention is made of the need for restructuring of the economies and of the whole productive mechanism of Member States. This affirmation constitutes a significant step towards full understanding of the present situation if we recall that at the beginning of the crisis in 1973 we were under the illusion that it was just simply a transient conjunctural recession that would not hinder the further growth of European

economies. I persist on this point because I believe that a full understanding of the causes is important in tackling situations like the present crisis. It is impossible for us to act if we do not know exactly where we stand, if we cannot find our bearings, and with still more reason it is impossible for us to tackle the present economic crisis without making a thorough study of the causes which brought it about and which continue it in being. In this respect I must note that in my opinion there are, broadly speaking, two determinants which mark off the present economic situation of the Community countries. Firstly, the shortage or the scarcity of energy sources, and secondly the observed shift in relation to the industrial 'know-how' which until quite recently was almost a monopoly possession of what are known as the industrialized countries. The first of these determinants is directly linked to conjunctural factors such as, for example, the energy crisis. The second, however, is due greatly to the appearance on the industrial scene of new States, chiefly from the Third World, able to compete in world markets with considerable advantages, one of which is low production costs. In order to counter them there is need for a restructuring of the productive mechanisms of Member States and above all for special emphasis to be given to new technologies. The efforts of all the governments, and of the Commission as a coordinating body, must be concentrated on this sector. We must all contribute in every way possible so that Europe, which cradled the first two industrial revolutions, does not lose the battle in the new revolution taking place in the electronics sector where the United States and Japan have made rapid progress.

Allow me therefore to insist once more on the need for joint investment undertakings. These will at the same time assist towards the convergence and coordination of the economies of Member States which, since 1973, instead of converging together as circumstances demand have moved further apart. In addition the need for an increase in allocation of the Community's own resources has become accepted almost unanimously and I would like Mr Ortoli to make a clear statement about this.

In addition to these reflections I would like to refer briefly to the major issue of unemployment which continues to worsen with no indications of a downturn occurring during this year at least. Allow me to quote the view of Mr Hayek, the Austrian free marketeer economist, that a democratic government can survive 20% unemployment for only 6 months and an unemployment level of 10% for at the most 5 years.

In concluding I would like to remark that in the context of this worldwide crisis the free world, of which all the countries of the European Community are a part, has thrown itself into a battle there is reason to presume can be won. Just because earlier on certain gloomy predictions were made we should not forget that a comparative study of EEC economies and those of the countries of Eastern Europe easily reveals the

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crushing superiority of the former. This constitutes yet another reason for strengthening the ties linking countries of the European Community with each other because if we stand together on a common and tightly-knit front we shall have a far greater chance of successfully overcoming the complex economic and social problems we are facing at present.

IN THE CHAIR: MR KLEPSCH

Vice-President

President. — I call Mr Alavanos.

Mr Alavanos. — *(GR)* Mr President, the very same facts that the Commission is forced to accept — 11 million unemployed, stagnating production though last year you forecast growth of 2% — speak better than any words about the situation prevailing in the EEC. You have only one success to show. A curb in the growth of inflation from 11.8% in 1981 to 10.5% in 1982. You have my warm congratulations. But how has this come about? By limiting increases in salaries and wages. According to the Commission's report to the Community the increase in overall labour costs in the Community slowed down sharply in 1982, showing an increase of 8.5% as opposed to 10% in 1981. Through a huge increase in unemployment from 7.8% in 1981 to 9.4% in 1982, and by massive cuts in public spending. Thus can the Commission pride itself on an increase in profit margins. The Commission is attempting to apply the same model of recession and unemployment, of economic liberalism for the monopolies and austerity for the workers, with withdrawal of rights they already hold, in its guidelines for 1983. And even more importantly, it is attempting to impose it on our country, on Greece. Indeed, it is clear that in Greece the Commission's primary objective is the non-implementation of adjustments made in line with the cost of living index. I shall remain exclusively on this point. The submission by the Commission is quite explicit: 'in Greece in 1983 a start must be made towards achieving a marked deceleration in the level of inflation-linked adjustments, and above all efforts to curb income rises must continue through the pursuit of policies on index-linking designed to avert the dangers'. It was with great anxiety, therefore, that we listened to the speech by the representative of PASOK, distributed beforehand to the press, and which alongside its firm dissension at the general spirit of the Commission's report stresses that curbs on inflation and consumption will be pursued through an overall policy on prices and incomes. I fear that instead of categorically rejecting the anti-working class submission by the Commission for the non-implementation of cost of living-indexed adjustments here and now in

the European Parliament the governing party PASOK may well incorporate this into its own policy. The Greek Government has a duty to reply to the Community's provocative demand in a way that will leave no margin for misinterpretation. The only reply is: the statutory safeguarding of automatic index-linked adjustments, retroactive bridging of disparities that may occur and participation by workers' representatives in the shaping of the cost of living index.

The workers of our country will fight decisively for automatic index-linking. Their struggle is not directed against the government but is against the EEC and the national and foreign monopolies which seek to implant their own policies and economic whims into government policy. The working class of our country can see where the EEC's edict against index-linking has led. In Belgium automatic index-linking has effectively been abandoned. In Italy and Holland it has been watered down. In Denmark the government is moving towards readjustment of labour costs, and the EEC is exerting pressure on France to move in the same direction. The European Federation of Trade Unions rightly stressed at its conference that the greatest post-war attack against the incomes and entrenched rights of the working class is now being launched by employers. No austerity on children's nurseries, — cuts in armament spending — these fighting slogans of hundreds of thousands of West German workers which can be heard these days are also the slogans of the Greek workers. The working class of Western Europe has its own economic guidelines, and these differ radically from those of the Commission. It looks towards a way out of the crisis based on anti-monopolist measures, on the march towards socialism, on a reduction in the overwhelming burden of armaments, on East-West cooperation. It looks towards a Europe of its own making, a Europe of detente and cooperation.

President. — I call Mr Pasmazoglou.

Mr Pasmazoglou. — *(GR)* Mr President, the issue we are debating this evening is the most serious one facing the European Community.

Firstly because by its very nature it is the leading political problem in Europe, and secondly because an adequate response to the problem is possible only within the Community context. The struggle against unemployment and inflation is a task for the Community exclusively and I fear, Mr President, that the numerical and political representation at this evening's sitting in no way corresponds to the importance and gravity of the problem. That is the first observation I have to make.

My second observation concerns the impasse in which the Commission finds itself. I know, Mr President, just how important the Commission's task is, and how

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clear the assessment of the problem and the range of possibilities needs to be. I know also of the great importance that is attached to the convergence of economic policies as a means of helping towards a solution of the present crisis. But that is not enough. The Commission is faced by governments which have no real comprehension of the gravity of the problem and of the need for them to find agreement on concerted action. In this matter, Mr President, I think that between the Commission and the European Parliament there is a community of duty, a community of responsibility. I believe that if we ourselves accord due importance and gravity to the problem under discussion this evening we shall be able to demand that, assisted by the Commission and with the full support of the European Parliament, the governments formulate a plan for action on a joint basis to overcome the problem of the economic crisis in Europe and, I would say, worldwide. Because up until now, Mr President, this Parliament has responded to the problem of unemployment and inflation, and particularly to the problem of unemployment, in a passive way and with defensive means, with measures incapable of providing a cure. The problem can be cured only by a policy of expansion and such a policy has not yet been drafted at joint level by the European Community, though the Commission itself fully understands the need for such a plan.

It is said, Mr President, as we have heard this evening, that the problem is structural in character and that there exist ideological differences. We cannot stand passively by when faced with these assertions. Of course the problem is structural, and this is precisely why we must frame a policy enabling us to overcome the structural difficulties which do exist. And in spite of the ideological differences which divide our governments it is possible for us to find certain more broadly acceptable courses of action.

It has been said, Mr President, and it is asserted in the report by Mr Ruffolo, that there are two such basic courses of action: investments designed to assist structural change, and emphasis on research. Hence if the joint efforts are concentrated on multiplying the provisions of the New Community Mean, the Ortoli Mean as it is often called, we should be assured of a good rate of investment and expenditure in the areas of research and regional development. I attach particular importance to regions where non-inflationary development is possible, such as the Mediterranean south, and where the mere announcement of such a plan would in itself provide an economic boost with far-reaching consequences for economic assessments and business initiatives in Europe and the rest of the world.

I believe, Mr President, that if the Commission and the European Parliament place emphasis on such a joint plan we shall be able to face up seriously to the difficulties confronting us and which constitute the most crucial social and political problem for our peo-

ples and for Europe. The Ruffolo report, like that of the Commission, is a positive document but timid. It does not recommend specific solutions, and above all it makes no proposal for a procedure aimed at mobilizing the Community as a whole.

In this latter respect, Mr President, I suggest that Parliament and the Commission should together undertake such an initiative.

President. — I call Mr Collins.

Mr Collins. — Mr President, I want to concentrate on the steel industry again in connection with the Oral Question by Mr Glinne and others.

No one in this Chamber can possibly doubt that the whole European steel industry is in the depths of a very grave crisis. Mr Glinne has pointed out in his question that steel consumption in the Community may soon reach its lowest level since 1952, when the Coal and Steel Community was set up. Crude steel production in the Community continues to decline. Between 1974 and 1980, the decline was of the order of 18% and ranged from a devastating 49% in the United Kingdom to a somewhat surprising and perhaps disturbing increase of 11% in Italy. Employment in the industry has been slashed, and in nearly every Member State the figures read like the names on a memorial to the fallen: over 50% in the United Kingdom between 1974 and 1981, 40% in France, 30% in the Benelux countries, and only in Italy did we manage to preserve the level of employment during that period.

These are global figures, and of themselves they do not tell very much of the miseries of the families that are affected at first hand, of the fears of towns whose main source of employment is the steel industry, or come to that, of the bitterness engendered by circumstances that never seem to be in favour of the men and women of the work forces that were the heart and soul of the industry in the past.

At the risk of being parochial, Mr President, I want this Parliament to consider the plight of Strathclyde. Most Members will have received from me a statement from its regional council, and many of the stark and gloom-laden facts are set out there. Only a few short years ago, there were over 25 000 people in full-time employment in the steel industry in Strathclyde. This is one of the oldest steel-producing areas in Europe. Iron and steel have flowed in Lanarkshire since the end of the eighteenth century. Plates, tubes, sections, strips, wires, rods — almost any product that you care to mention has been produced in the furnaces and mills in Strathclyde. Now, only a few years later, there are fewer than 11 000 people in the industry.

Some of our major plants at Revencraig and Clydesdale are under threat of closure in response to the

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latest downturn in the market, the difficulties with the United States and, frankly, a United Kingdom Government and an EEC industrial policy that sometimes seems to be based on the idea that amputation is the only treatment that can be used, no matter what the condition of the patient. If these plants do close, then a further 15 000 people will become unemployed and the heart itself will have been amputated.

Now surely other treatments are possible. Surely other treatments are crucial if the wounds inflicted in the past are to be cured and if the body of the Strathclyde steel industry is to be set on the road to a firm recovery.

I want to suggest three very simple notions. First, we cannot continue to allow a kind of reverse bleeding to death by the apparently never-ending flow of steel from outside the Community. In particular, we need to ask ourselves about the justification for steel imports from South Africa, the Argentine, Brazil, Bulgaria, Romania and so on. How can we possibly say to the steelmen of Bellshill or of the Ruhr that their jobs are to be sacrificed on the altar of relations with South Africa? At the very least, let us control that flow rather more tightly!

Secondly, I refer to the variation in production and capacity reductions within the Community. It is surely wrong, when a whole European industry is in trouble, that the burden should not be equally shared. How can my furnaces be allowed to die and my mills grow silent when at least in one Member State, capacity and production have increased? Let us therefore examine the performance of each country carefully.

Thirdly, we need urgent and massive aid for the areas so badly affected. We need help for new industry, we need help to maintain and improve the infrastructure and, more than anything else, we need help to restore the faith of our workers in the future of these areas and in the capacity of our political institutions to cope with the grim realities of unemployment and poverty.

Mr President, the steel industry lay at the roots of our successful industrial past in Europe, and they must surely be central to our future. Plants like Ravenscraig across the Community cannot simply be allowed to die, and neither can the plants in these other . . .

(The President urged the speaker to conclude)

Mr President, I simply want to say to you that the European Community and the acting President of its Parliament have a duty to respond to these cries for help. I hope you will support them along with other Members of this Chamber.

President. — I call Mr Ryan.

Mr Ryan. — Mr President and colleagues, primary responsibility for economic management of a Member

State of the EEC must lie with the government of that country but where the government of any country manifestly ignores indisputable economic and financial realities, there surely lies on the economic community the duty to apply corrective measures. Seven years ago it was proposed to the Council of Ministers that the various EEC financial supports should be withheld from any Member State clearly in breach of the economic guidelines laid down by the Community. Jealous of the economic freedom of Member States I fiercely and successfully resisted that proposal but I am sorry that I succeeded. I speak now with the benefit of hindsight. When I resisted the suggestion that the EEC should have the veto over a country's economic policies I argued that it should be accepted that any country's government would act with responsibility and that it should not be presumed that all economic wisdom rested in Brussels but seeing now the deplorable, largely self-inflicted economic and financial mess of Ireland, I am forced to admit that European institutions should be given effective teeth to prevent any Member State from going financially mad.

The Commission, on page 38 of their report, described the Irish economy as being out of control and surging towards even worse conditions. The public finances of the government of Ireland are in imbalance to the extent of 16% of GDP compared with the Community average of 6%. The current balance of payments deficit is 9% of GDP against a Community average of 2.2. The rate of consumer price increases over the last 3 years has hovered around 20% in Ireland against a Community average of 11.7, or 10.2 if the exceptional increase over the 3 years of 71% in Greece is excluded. The foreign debts of Ireland have multiplied 5 times in 5 years. Add to this an unemployment rate of 14%, with most of the unemployed under 25 years of age.

Since 1977 the economic benefits of EEC membership for Ireland have been largely evaporated in an overheated domestic economy. The EEC was not powerless to prevent, or at least modify, the worst of these self-inflicted wounds. To meet the balance of payments consequences of the mid-70s oil price increases, the EEC made available to Ireland in 1976 and 1977 advantageous loans subject to the condition that Ireland would reduce the size of the government's current deficit and relate it to important borrowing requirements. As Minister of Finance for Ireland at that time I happily accepted and observed that condition which was in accordance with an undertaking which I had given in the Irish Government's intentions at a time when we were correctly operating the economy. But since mid-1977 those conditions were not observed. Instead the government which replaced us went on a 5-year spending spree and apparently was never pulled up by the Commission or the Council of Ministers.

It seems to me, Mr President, that the Court of Auditors should urgently investigate why and how the con-

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ditions attaching to the balance of payments loan to Ireland were not observed. Did the Council of Ministers vary the conditions? If so, how and why? Was it right to vary those conditions? Most certainly not, as subsequent developments so clearly show. And surely, too, the Commission failed in its duty to ensure that the conditions attaching to the Community loan be observed. I would invite the Budgetary Control Committee to thoroughly examine this matter. The Commission also deserves to be criticized for its over-sensitive reluctance — indeed, I suspect culpable failure — to use its power of recommendation under the Council Directive of February 1974, where a Member State is pursuing economic, monetary and budgetary policies departing from the guidelines laid down by the Council of Ministers.

The failure of the Commission to be more direct and forthright in its criticism of serious errors in economic policy can, and indeed in Ireland's case did, lull its citizens into a false feeling of well-being. Indeed, mild words can be worse than silence. The political party in Ireland primarily responsible for this state of affairs is at present advertising in full-page advertisements in the newspaper, quoting Vice-President Ortoli — I suspect to his grave embarrassment — endorsing their economic lunacies.

Now the inevitable consequence of ignoring economic realities and financial prudence is political instability. In addition to its economic and financial woes, Ireland is experiencing unprecedented dangerous political instability with its third general election in 17 months. Hopefully, next week's election will furnish Ireland with a government with an adequate parliamentary majority to embark upon necessary, if unpopular, corrective measures but it is to be hoped that the institutions of Europe will have learned from the sad and unnecessary experience of Ireland that the Community should play a more positive role in intervening in good time in any economy which is seen to be running riot.

President. — I call Mr Abens.

Mr Abens. — (DE) Mr President, ladies and gentlemen, the ever-worsening situation in the steel sector is one which has dramatic consequences for all of the Community Member States. For my country, Luxembourg, it has become nothing less than a matter of life and death.

Without wishing to overburden the Members with a pile of statistics I would, nevertheless, like to highlight several aspects of this dossier. The steel industry in Luxembourg accounted for 50.8% of the Grand Duchy's total industrial output in 1980. Moreover it accounts for some 47.6% of our total manufacturing industry-employment, and some 50% of our total exports of manufactured goods. In a more dramatic form one can say that the Grand Duchy, without a

steel industry, is no more than half of what it was heretofore.

In the light of the foregoing I am sure that the Members of the House would agree that, in combating the crisis in the Community steel industry, the criteria applied to my country must be different to those applied to Member States for whom steel production is but one of a number of industrial sectors. Given the Committee on Economic and Monetary Affairs' motion for a resolution implying that a further scaling down of existing overcapacity in the sector is unavoidable I feel that the unique situation referred to above is such as to warrant the Grand Duchy being singled out for special consideration in accordance with point 8 of the motion for a resolution — I quote '... in attaining the necessary further reduction in existing overcapacity, all closures in Member State steel sectors and their resultant loss of employment shall be taken into account'.

Applying this criterium, the Grand Duchy's steel industry has carried out more far-reaching curtailments than most of its Community counterparts. Between 1974 and 1982 employment in the steel sector as a whole slumped by 44%, from 31 500 to 17 600. In steel production the shedding of manpower was even more drastic, from 26 800 to 15 500 or 49.8%. Since 1974 some 20 blast furnaces have been closed down, leaving only 10 left. Two of the five centres have disappeared, only 6 of the 39 converters and furnaces remain and 10 of the 23 rolling mills have been silenced.

Although such closures run parallel with modernization schemes and the associated increase in productivity, the overall result of the Grand Duchy's measures in the steel sector since the beginning of the crisis has been a sharp reduction in capacity. The relevant reductions in capacity in millions of tonnes are as follows: 1.2 for steelworks, or from 7.5 to 6.3, and 0.7 for rolling mills, or an annual reduction of 0.7% from 5.9 to 5.2. Account must be taken of the Grand Duchy's contribution to an overall Community streamlining of its steel sector. It is unacceptable that the Commission should refuse to take such measures of foresight by a Member State into consideration and to maintain that further remedial measures must be applied on the basis of the Community's existing overcapacity. That would be tantamount to punishing the actions of those Member States who had the foresight to make a timely realistic appraisal of the plight of the steel sector.

In closing I would reiterate that we Luxembourgers are not asking for any favours in making a special plea for our steel industry whose importance in our national economy is out of all proportion to that of the other Member States.

President. — I call Mr Van Rompuy.

Mr Van Rompuy. — (NL) Mr President, the annual report of the Commission and yesterday's Jumbo Council meeting show how similar thinking is becoming on a recovery policy in the various Member States. Faced with similar economic circumstances all EEC countries are now following a policy of moderation. Even the French government recognizes that its neo-Keynesian policy of stimulating demand has failed. It is clear now that the way to economic recovery is to re-establish the fundamental balance in the economy. All countries must realize this. Once again it has been proved that there is no ready-made ideological solution to the crisis. Electoral slogans do not stand up to economic realities for long, as the French Socialists, Mrs Thatcher and President Reagan have discovered.

It is a particularly rude awakening for Europe at the beginning of the fourth successive year of the recession. People have realized that the economies of the EEC countries are not sheltered from external forces. In open economies we must always take our trading partners' policies into consideration. But here too there are lurking dangers. Anyone who cuts down on imports by restricting purchasing power hampers his neighbours' growth and hence his own exports. In this way the world economy and the EEC economies run the risk of becoming entangled in a cumulative deflation spiral. Some countries such as France — and that is worrying — attempt to escape by adopting protectionist measures; they then come and defend their policy at European Council of Ministers' meetings; or else there are competitive devaluations such as in Sweden. But this only makes things worse. That is why more than ever before we need a European vision with our first task to free internal markets and strengthen the EMS.

The Commission in its annual report recommends a strategy of productive investments based on supply. This is no normal recession which can be cured by short-term demand management. This is a structural problem. We are in a period of fundamental change in the world economy which will probably last a full generation. It is not a passing recession but a revolution which not only represents a challenge for technology but also tests our own ability to adapt.

One of the basic reasons why the European Community is lagging behind such countries as Japan and the United States in industrial development is the rigidity of the economic and social structures where the top-heaviness of the public sector, 50% of the GNP, seriously hampers flexibility. Our economies have become politicized; today it is the policies which are failing just as in the 1930s it was the market economy which failed. It is this rigidity which must be changed.

The change, as I said, may well take a long time. But in the meanwhile we face the enormous problem of unemployment. Society will not recover its vitality and growth if the younger generation is not given an incentive. And that is why the Commission rightly, but

without sufficient emphasis, speaks of re-distributing available working time.

In my country there is a unique experiment to create additional jobs by wage restraint and shorten working hours with no increase in costs. I regret — and I am concluding, Mr President — that yesterday's Jumbo Council did not show the way for governments to encourage reducing working hours; the Community could act as coordinator here. We have thereby missed the opportunity of forming an important instrument for creating employment in Europe.

President. — I call Mr Gautier.

Mr Gautier. — (DE) Mr President, ladies and gentlemen, with reference to the erstwhile report of my colleague, Ruffolo, and the oral question from colleague Glinne I would like to stress that the best possible regional policy for specific steel sectors would be an all-round economic revival and in this connection I subscribe wholeheartedly to colleague Ruffolo's earlier statements to the House. To the conservative side of the House I would once again reiterate that an increase in investment cannot be an abstract end in itself but is inextricably bound up with the question: by which means is financing to be achieved and what is socially tolerable? For you may rest assured, Mr Welsh we would not be prepared to lend our approval to a Community-financed programme of public investment with the increased indebtedness which it implies without giving consideration to a reallocation of public resources. At any rate we, as social democrats, would place particular emphasis on this aspect in any financing of new investment.

Secondly we are not interested in stimulating the overall level of investment but, rather those aspects of it which can assist the Community in a macroeconomic context, for example, investment in energy-related areas with a view to reducing energy consumption thereby alleviating the balance of payments problems of many Member States and/or for environmental reasons.

Addressing myself to colleague Glinne's oral question on regional policy I must, in all events, say that my region, which covers an area greater than the whole of the Grand Duchy, is also heavily dependent on steel and would greatly benefit from Community measures to stimulate the building and engineering industries, among others.

We should realize that in addition to the various economic measures outlined in the House tonight the need for external economic measures may arise. Earlier this morning we heard of the so-called restrictive import measures practised by France, but we were forced to the conclusion that individual Member States or, for that matter, the Community, in spite of a

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battery of economic measures, could find itself confronted with almost irresistible import pressure on the lines of that which we are currently experiencing in the steel sector, for example. Several Members, including colleague Collins, drew attention to the fact that even an optimum economic and pricing policy was to no avail in the face of imports from outside the Community whose prices could not be effectively controlled.

My third point, very quickly — with my apologies to the interpreters. While agreeing to the necessity for monetary measures in the context of the European Monetary System, the latter should not lead to the total collapse of prices in specific markets, for example, steel. I heartily welcome the apparent agreement between the Commission and the government of France and the latter's commitment to standardize its list prices in the steel sector once again and in so doing, to take account of the currency adjustments and to refrain from supplying at prices which bear no relation to those practised by the other Member States.

Finally, a ripost to Mr Welsh on the free market economy. The latter suffers from the slight disadvantage that it takes no account of regional effects, and, as such, is unacceptable to us socialists. One of the central points in our electoral programme on the occasion of the first ever elections to the European Parliament by universal suffrage, and one which has permeated our various interventions in the House over the years is a belief that an unrestrained free market economy must be corrected through specific investment measures. I would also place the oral question of my group's chairman, colleague Glinne, in this context, namely that we must endeavour to assist through regional policies the declining regions which have fallen victim to the so-called 'free market economy'.

Personally I would much prefer preventive action in the form of specific investment control and management tailored to regional needs, with the aim of arresting the decline in time.

President. — I call the Commission.

Mr Ortoli, Vice-President of the Commission. — (FR) Mr President, I shall not reply at length to the numerous points made on steel as this was the subject of an urgent debate this morning and we are now discussing the more general problem of the economic, financial and monetary situation. I shall simply say that in that sphere the Commission has devoted much of its time, efforts, courage and sense of responsibility to try to ensure that what appeared inevitable would not come about.

It is an unusual thing that we have made in this Community, a market organization to maintain an industry and support prices. It is a remarkable feat that we have

agreed to restructure together an industry in major difficulties. It is even more remarkable that we have considered the overall social repercussions of the problem and that we have tried with you to ensure that, forced to wind down the steel industry, the Community showed it was not indifferent to the social problems involved. It is remarkable too that together with my colleague, Mr Giolitti, we have managed to develop the instruments of reconversion and show that another dynamism could be created with Community means; and may I say here that we shall send Mr Glinne a reply to the questions he asked.

May I now move on to our more general debate this evening? We can bandy about figures, we can explain the responsibility of the Community, the Member States, the Commission, the world and all the rest. It is remarkable today — I was going to say somewhat wickedly that everyone has the cure but no-one has the results — that unemployment has kept on rising in the Community, unstintingly so in some areas; I am talking of the Community average.

It is also remarkable that we still tend today to give in to the temptation of thinking that it is sufficient to say to succeed, to want to do. But we know that there will be no rapid changes because we have to face a basic structural alteration.

We know that we are not alone and that we alone cannot change things because the world has become closely interdependent. We are to some extent deprived of the opportunity of doing ourselves some of the things we would like to do because today's world is not insular, it is a world in which all problems are common and are reflected in a level of trade such that even those who talk of our responsibility and the need for us to act alone say in the same breath, 'But avoid protectionism!' Which means what? That they recognize at the same time both their determination and their interdependence.

In today's monetary world there is one imperial fact — the dollar — and doubts are now being cast on one of the regulators of common action — the international currency, the international monetary world. And in today's world so many problems have accumulated, so many shocks have been absorbed, so many appetites have changed, so many prices have developed through competition that nothing will happen without our paying the price for it. If we do not recognize that we may act as economists but not as politicians. As a politician I have often thought of Cardinal Retz who talked of 'heroic judgment' — he meant the hero's capacity, in the 17th century sense, of judging things and acting. He said, 'Heroic judgment is the ability to distinguish the extraordinary from the impossible'. In an attempt to reduce our present problems to the mundane, to believe that with a little more money or an extra budgetary effort or some tiny little sacrifices we can solve these problems, we are building the wall of the impossible. Therefore let us have the ability of the extraordi-

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nary, that is the profound changes being imposed on us, otherwise we will find ourselves facing the impossible, an impossible we will pay for in terms of employment, certainly in terms of the future, because it is our young people who for the large part will pay today for the problems of employment, in political terms perhaps, if at any time we were to think that other solutions and other attitudes could produce the answer.

In those circumstances I think that we have to decide on a small number of objectives and stick to them, as we have done. I think we know these objectives. I think we can reach them. I think we should use Europe to reach them.

The first objective — I would not say the most important because it is a difficult choice to make — is to set a framework for international economic activity. There is no world without money. There is no world in which, with our present structures and main reserve currencies, we can accept bizarre variations in the value of the currencies or interest rates. Europe must fight, even if it does not think it will win, and Europe has been too shy about using its own strength to the full. Europe must fight for organized monetary cooperation with our major partners. It should do so not only in declarations about what should be done. It must demonstrate a real determination to create organized monetary cooperation through which major decisions affecting the fate of the world will at least be discussed and this anxious world put on a more regular footing.

Secondly, we must recognize that one of the dangers we face is that of widespread deflation. The economic phenomenon of the last four or five years has been a deflationary blow for many reasons: the deflationary blow of abrupt transfers, of the doubling of the price of oil; the deflationary blow of the dollar, with a considerable increase in the same. And simultaneously we have seen international trade, long time support of all our growth, not only drop but almost come to a standstill. And we must fix two main objectives — there is no need for eloquent speeches here — to be pursued in the daily actions of the Community and governments. Firstly the international monetary and financial institutions must come into play with the necessary means, and that is the whole problem of the funds of the International Monetary Fund and the World Bank. Secondly the financial system must be such that the private instruments of financing the economy are reassured of the necessary combination of security, adjustment of policies but also of support of economic activity.

The second point I wish to make is linked to this, to wit the need for us to stimulate the European Monetary System; to stimulate it, strengthen it and I was going to say believe in it. What does that mean, believe in it? That means realize that progressively and somewhat mysteriously the European Monetary System has become the mechanism through which we preserve the

unity of our market, avoid competitive devaluations, give ourselves more strength to face the outside world, and find the discipline — I do not mean discipline in any derogatory way, I mean a common determination, what we decide on together — to enable us to face up to today's problems a little better.

So we made some proposals. We proposed that the mechanisms be strengthened. We proposed the luxury of an instrument of European diversification, the ECU, and we continue to fight to promote the ECU. At the moment, loans in ECU, short-term, medium-term and long-term loans, amount to more than 2 000 million units of account. The ECU is starting to live. We have asked for convergence. And I refuse to listen to anyone accusing the Commission of being inactive in this domain. Some here who have sometimes disagreed with the Commission's action know at least that in circumstances it thought important it said what it felt had to be said. And it did so on certain issues, notably the highly complicated and sensitive matter of indexation. It did so to certain countries. It did so on budgetary discipline and the need for convergence. And after all, we talked about investments, saying that that was the nub of development, before anyone else, I seem to remember, in a spectacular manner, and no-one will forget that there was as much symbolism as finance in our struggle to create Community instruments of finance. Let no one think I am blind to the levels we have reached. We are doing a lot, but more than that through our shared determination to create instruments of finance we are displaying a common priority. I am convinced that that is an essential part of the action we must pursue.

We must also recognize the demands of competitiveness. It is an unpleasant word — I would like to find a more felicitous way of saying these things — it means that we are in a fight and that we must have strength to face the adversary. When one is interdependent, subject to certain effects of domination, does not produce everything, has no energy, no raw materials, is not master of one's own demand — I mean of what our people are demanding today — then one must be at the same time competitive — that is show the capacity to compete with others on one's own market and with others on third markets — and modern — that is be able to offer products which the changing world market is looking for at the present moment.

Well, I believe that that obviously has certain consequences and makes us think seriously about our present situation. We are forced to recognize that the key to the problem of employment is the creation of wealth and the development of productive activity, what we call growth and expansion. But in fact we must be even more direct. The key to employment is the development of our production and our services, with a certain number of consequences. But we will not find it without growth — I come back to this old idea, the idea we all have in mind — we will not find it if this growth does not emanate from a dynamic and funda-

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mental economic reality. Hence the need to revitalize the economy. Why the fight over budgets? It is not from masochism. It is because at a certain moment for perfectly explicable reasons the burden of the non-productive element in the economy tends to become too heavy and we must avoid finding ourselves with a basis which has shrunk too much. That is what we are looking for.

Why do we talk about reducing the deficit? Because it is unwise to use this money that you want to invest — or that we want to invest — to pay back interest, for as you know well in those countries which have a certain level of deficit today the budget is not used to create or improve infrastructures nor a series of real social advantages, but to pay off the debt.

Well, quite honestly, at a certain moment we no longer have our feet on the ground and we should stop and think. Fight for investment; I personally think that that is fundamental. We have to stand up to two challenges. One is that of competition, all other things being equal, I mean even if the great technological changes that we are familiar with had not taken place. The other challenge is that of a new demand expressed in different terms. Those whom we call consumers have made the choice of their consumption and this new consumption is being created through the thousand channels of industrial specialization, new technologies, new services, this mass of appetites which create the society we wanted, which we created, and which I think we must preserve. Then investment becomes indispensable; it is the key, it is the type of demand which we must favour because we are creating the basis for meeting our own needs. I am not forgetting the general problem of demand. But to forget that without a determined effort of self-renewal a continent like ours at the end of the 20th century will be incapable of carrying its own aspirations and needs; it would be a major political error and a collective act of suicide.

And so we must fight for investments. That means we must help the enterprise to be enterprising. Nowadays self-financing is insufficient. We must enable the enterprise to promote itself, in an economy which has mastered inflation. Two key ideas here: facilitate invested profit and facilitate invested savings, a whole series of mechanisms you are familiar with from our documents.

That also means a budget with more muscle. Investments must become more active, more aggressive. Europe must participate actively in this act. Europe has a lot to do. Firstly it must accept in international terms that it exists, as I already said, and believe that it is not the biggest of our small countries who alone can represent this continent. Secondly Europe must become an amalgam. There comes a time in difficult circumstances when spirits must converge a little. Now we have a Europe where we all know each other and which offers a great opportunity of recognizing prob-

lems together and of working out not what the solution is but what a group of solutions should be.

And Europe is not devoid of means. I have talked about steel. Many have talked about the internal market, about interior protection. It is because we have not completed the internal market, not given ourselves the internal market we need, that we have put up with all those obstacles and barriers, that we have thought of ourselves as provinces; it is for all these reasons that our market has lost its power to stimulate at a time when it is badly needed.

Secondly, we must somehow or other become more closely involved in industrial cooperation, industrial development and technological development; I shall not dwell on this aspect.

Thirdly, let us set up some common instruments. I shall not of course attempt to outline a complete programme, but let me say to some of those who spoke earlier that you should not lay too much emphasis on doctrinal differences when in this Parliament you recognize so many common causes. In listening to the debate on the Ruffolo report I must say, as Mr Herman did, that some confrontations which have arisen could have been reduced to more modest proportions. I know that we are all in a hurry, that we have a tremendous amount of work, but I think that there is a common element much greater and stronger than we imagined, and I would simply like to say that it is in the interest of all of us to find and proclaim it. If we refuse to accept the inevitability of unemployment then we should equally refuse to believe in miracles from either national or Community action. We must beware of the cures offered by those who think good macroeconomic management is enough to solve the problems at a time of structural change, or by those who on the contrary believe that everything is structural, or those — perhaps the most numerous of all, unfortunately — who think that things are going pretty badly and will continue to do so and that we must therefore make the best of it and keep hold of as much as possible, because no-one knows what will happen. . .

All these temptations exist in Europe. I personally hope that we will recognize the type of action we have indicated, which has been discussed by the committee specializing in economic policy and that we admit that the enormous effort we are called upon to make can prove successful.

(Applause)

President. — The debate is closed.¹

The vote will be taken at the next voting time.

¹ See Report of Proceedings of 16. 11. 1982.

8. *Central America — Non-associated developing countries (continuation)*

President. — The next item is the continuation of the debate on the report (Doc. 1-784/82) by Mr Michel.

I call the Commission.

Mr Narjes, Member of the Commission. — (DE) Mr President, the Commission could not bring this debate to a close without expressing its deep regret on hearing the news of the death of the rapporteur of this report, Mr Victor Michel.

Mr Michel was one of the most eminent Members of this House. His humanity, his political style, his kind-heartedness and proven abilities will not be forgotten.

In addition I would like to thank the House for the support it has always lent to the Commission's requests, support which is especially appreciated at the present time given, we hope, an imminent decision from the Council of Ministers in the wake of the European Council's appointment of political experts to oversee these measures in March of this year.

There is some urgency in the matter, given that this programme of aid for Central America must be initiated in this year in accordance with budgetary procedures. The Commission is in full accord with the European Parliament's line of argument on this issue. Like you, the Commission is alarmed at developments in Central America. Economic and social factors are at the root of the political instability in this region and this was also the point of departure of the Commission's recommendation.

Given the enormity of the task, the Commission hopes to use the relatively modest aid to help those in Central America who are ready to help themselves? The main thrust of the programme of action is designed to reinforce existing programmes aimed at reforming and restructuring agriculture. Consequently it may be considered a project-related programme. Such programmes are currently foreseen for four countries of the region. In principle, however, the programme outlined by the Commission is available to all of the States of Central America.

The Commission's recommendation has already been expressed on several occasions before the Council of Ministers. A decision of principle has already been taken, namely that of increasing the technical and financial assistance to non-associated developing countries (Article 930) by 58 million ECU. How much of this will be attributed to Central America depends on the Council decision of this week or next, hopefully. At any rate, the Commission will lose no time in promptly following up any budget-related aspects of the programme.

President. — The debate is closed.

The vote will be taken at the next voting time.

9. *New financial protocols — Southern Mediterranean countries*

President. — The next item is the report (Doc. 1-846/82) by Mr Filippi, on behalf of the Committee on External Economic Relations, on the

recommendations from the Commission of the European Communities to the Council (Doc. 1-418/82 and Doc. 1-835/82) for regulations concerning the conclusion of new financial protocols between the European Economic Community and certain southern Mediterranean countries¹

I call the rapporteur.

Mr Stella, deputy rapporteur. — (IT) Mr President, ladies and gentlemen, as you know, financial cooperation, which takes concrete form in the protocols we are considering today, constitutes one of the basic elements in the overall approach of Mediterranean policy.

For this reason, therefore, before proceeding to a quick examination of the financial protocols themselves, I should like to view them in the wider context of the Mediterranean policy to which, by definition, they properly belong.

I think I should limit my observations on the Mediterranean policy of the Community to what is relevant to the subject we are considering today, and omit many aspects of the question which, although quite important, are not primarily connected with our debate.

Having said that, I should like to draw Members' attention to a point that appears to me to be of primary importance. The Mediterranean policy of the EEC, which has been in force since 1971, has failed, over this 10-year period, to give the results that were hoped for. The main objective that the Community hoped to achieve through this policy was to contribute substantially to the economic and social progress of its Mediterranean partners.

Their economic progress was to have contributed to greater political stability in this region of the world that constitutes, for the Community, a political and

¹ The oral question with debate (Doc. 1-800/82) by Mrs Fullet, on behalf of the Socialist Group, to the Commission, was also included in the debate:
Subject: Algeria-EEC milk agreements
Can the Commission explain the reasons for the delay in the contractual procedure in respect of the agreements on milk with Algeria?

Stella

strategic axis of obvious importance. At the same time, the economic progress of our Mediterranean partners should have increased the opportunities for exporting many industrial and agricultural products. We should therefore have had wider markets, with greater scope for consumption, which, for geographical reasons, and because of the historical and political ties of the recent past, should naturally have been oriented towards the Community.

This then, is the political and economic concept underlying our Mediterranean policy.

We may ask ourselves today, therefore, whether this objective has been achieved, and whether the Community has been true to its intentions, at both the political and the economic level.

We see today that the deficit in the balance of trade between the EEC and the seven countries in question (Algeria, Morocco, Tunisia, Egypt, Jordan, the Lebanon and Syria) has been constantly increasing, and that, despite the concessions provided by the various agreements concluded within the framework of Mediterranean policy, the Community's imports from those countries have not increased in the way it was hoped they would. Only from Algeria and Tunis have the imports of the EEC increased during the period 1976-1980, rising from 2 152 to 4 026.8 million ECU in the case of Algeria and from 408.66 to 1 090.66 million ECU in the case of Tunisia.

Bearing in mind the average annual rate of inflation, which is 13.3% in the case of Algeria, and 7.5% in the case of Tunisia, these imports have fallen considerably in real terms.

From the commercial point of view, therefore, it can be said that the Mediterranean policy has enjoyed very limited success. It must also be remembered that these countries' exports to the EEC still refer to a small number of basic products. The action which was intended by the Community to diversify the industry of our Mediterranean partners and open up, as a result, greater opportunities in the markets of the Community, does not appear to have been successful. Indeed, the items exported are agricultural and industrial products that compete, on the Community market, with similar products from the Mediterranean regions of the EEC (the Mezzogiorno, in Italy; the Midi, in France; and Greece).

If we look to the near future, when the warmly awaited membership of Spain and Portugal will become a concrete fact, it is obvious that the problems that we are already faced with today, concerning competition from the products of the southern Mediterranean countries, and the actual capacity of the Community market to absorb those products, will become worse.

Suffice it to say that, when Spain enters the Community, the EEC will reach virtual self-sufficiency in

the majority of agricultural products that are typical of the Mediterranean region (citrus fruits, olive oil, tomatoes, wine, and so on). One wonders how the Community will actually be able to honour the commitments entered into with its Mediterranean partners, seeing that the agricultural part of the agreements entered into with them is essentially about the opening up of Community markets to the products native to these countries.

We are, in short, faced with the following dilemma: how can the Community commit itself to opening up its frontiers to agricultural products when, as we know, within a short time the Community will be 100% self-sufficient in these products?

This, then, is the importance of the financial assistance provided by the Community which should be used, amongst other things, to restructure the manufacturing and farming industries of its partners.

In this way we should resolve, within the bounds of what is possible, the dilemma that faces us today.

The Community's action in allocating the new financial protocols does not seem, however, to have taken adequate account of the immediacy and magnitude of this dilemma.

With regard to the amounts of the first financial protocols, bearing in mind the constantly falling value of money it can be seen that the overall new aid proposed for the seven countries in question over the next five years is appreciably less, in terms of purchasing power, than it was for the previous period.

We are talking today about an amount of 975 million ECU, against 639 for the previous protocols. This amount is absolutely inadequate, whether viewed comparatively in relation to the previous protocols or whether considered in the light of the serious problems that will arise in trade relations between the EEC and its Mediterranean partners, in view of the entrance of Spain and Portugal into the Community.

At this point I consider it essential to emphasize that, in practical terms, the main burden — and the biggest sacrifices — arising from the opening of the Community market to the agricultural products of the North African countries, to which I am now referring, is borne solely by the Mediterranean regions of the EEC, which produce absolutely similar products. No sacrifice is however borne by the farming industry of northern Europe which, as we are all aware, and as has already been repeatedly pointed out even in the European Parliament itself, has benefited the most from the workings of the Community's agricultural policy.

If care is not taken in implementing the Mediterranean policy, there is a danger that the Mediterranean regions of the EEC will suffer, thus widening the gap

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between the northern and southern regions of Europe where economic and social development are concerned. Thus a Community action, such as the Mediterranean policy, that was conceived as an advanced example of international collaboration could, if not implemented with care, make the level of regional development within the EEC even more uneven, whilst still not resolving the problems that exist with the EEC's partners in North Africa.

I want, therefore, to appeal to the political conscience of our Assembly, with a plea for this Assembly to stress how urgent and serious a matter it is that the problems — and they are today's problems — connected with Mediterranean policy be solved, especially in view of the fact that the Community is soon to be enlarged.

I want everyone properly to appreciate the need to allocate new forms of financial aid to our Mediterranean partners — excluding, however, forms of cooperation that could harm the Mediterranean regions of the Community.

By this I mean that if the Community decides to strengthen its aid to the countries of the southern Mediterranean this should be done using forms of aid the cost of which is borne by the Community budget. Such forms of aid will be borne by all the member countries of the EEC, and will not penalize solely the Mediterranean regions of the Community.

Finally I want to emphasize the need to contribute more substantially to the aid intended for these North African countries, within the framework of the Euro-Arab dialogue and the North-South dialogue.

These are of course quite separate actions from the Mediterranean policy, but they have similar and convergent aims.

I should like, finally, to recommend that the European Parliament be allowed to play its proper part, as provided for by the appropriate clauses in the agreements, in the process of perfecting and negotiating the financial protocols.

In reality there have only been a few contacts with the representatives of Morocco.

I therefore appeal to this Assembly for due regard to be paid to the political needs and motives involved, so that in future there is the necessary contact between the representatives of this Assembly and those of the peoples of North Africa.

These meetings will constitute a further guarantee of the political impartiality of relations between the EEC and its Mediterranean partners who, for historical, economic and political reasons, are linked to Europe by bonds of reciprocity whose importance is obvious.

(Applause)

President. — I call the Socialist Group.

Mr Ziogas. — *(GR)* Mr President, soul-searching about these new financial protocols in particular and about any similar ones relating to the Mediterranean area in the future, should be seen in the context of the Community's more general thinking on Mediterranean policy. But seen in the context of precisely which Mediterranean policy? Of the so-called 'global Mediterranean policy'? Of a Mediterranean policy in an enlarged Community? Of a Mediterranean policy based on enhanced Community solidarity?

Without doubt there is a need for precise orientation of the Community's strategic and politico-economic relations with the whole Mediterranean area so that these protocols and similar financial and economic steps taken by the Community are integrated into a democratically phased medium and long-term development perspective for the whole area. An area having an effective role in the North-South and Euro-Arab dialogues and where Europe, with its present members and those likely to join it in the future, is an intrinsic part of the existing economic and political milieu notwithstanding the strong historical and cultural bonds that exist between Europe and the whole Mediterranean area.

The fundamental objective of the Community must be to participate in the multi-faceted development of its Mediterranean partners, while respecting their internal and foreign policy courses, by ascertaining in conjunction with them the measure of the part it can play in helping towards the realization of their development objectives through diversification of their economic structures and the achievement in parallel with this of the greatest possible production dovetailing so as to create conditions for the harmonious development of trade between not only the partners and the Community but also between the partners themselves.

In its inter-related dealings with its own Mediterranean regions, with the countries aspiring to membership and with its Mediterranean partners the Community must avoid letting its actions culminate in squabbles which instead of helping to reconcile conflicts of interest can only make the situation worse.

These objectives presuppose will on the part of the Community, a willingness to cooperate by the countries aspiring to Community membership and active cooperation amongst the Mediterranean countries.

However, it should be fully understood from the outset that without the requisite means, particularly the financial means, this cooperation on which our partners are pinning so many hopes could in fact lead to total disappointment.

The Community ought therefore to significantly increase its financial assistance, chiefly through finan-

Ziogas

cial protocols more generous in cash terms and encompassing a wider range of application.

That, Mr President, is our position.

The Socialist Group will vote in support of the motion for a resolution laid before Parliament by the Committee on External Economic Relations concerning the conclusion of new financial protocols between the EEC and countries of the Maghreb and the Mashreq.

However in the context of the views we have expounded we would like to make the following observations.

The consultation procedure involving the European Parliament takes place after the amount of aid to be made available has been finally decided and in effect after the agreements have been signed.

The disappointing aspect is that in succumbing, as it were, to the temptation to distribute largesse the Community has come up with the least satisfactory compromise, a compromise our partners are compelled to accept because of their immediate pressing difficulties.

Therefore it is right and just that all the signatory countries have expressed dissatisfaction and dismay at the level of economic aid being offered which in some cases entails no step forward and cannot be seen as contributing effectively to the materialization of the definitive objectives of this cooperation.

Mr President, as anyone should conclude from reading the quite remarkable explanatory memoranda the open Mediterranean policy being pursued by the Community through the conclusion of these financial protocols aimed at diversifying the economic structure of the Mediterranean countries in general must not be allowed to operate to the detriment of the Community's own less developed areas, and it must not aggravate problems relating to the production and marketing of produce in these countries bearing in mind the future enlargement of the Community.

President. — I call the Commission.

Mr Giolitti, Member of the Commission. — (IT) Mr President, in the Commission's view, financial cooperation undoubtedly constitutes an inseparable part of the agreements for cooperation signed by the Community with the countries of the southern Mediterranean. In signing these agreements, in fact, the aim of the contracting parties was to promote a form of cooperation that could make a contribution to the economic and social development of each of the partners of the Community.

To achieve this objective the agreements provide for measures of various kinds. One of the most important

is free access to the Community market for all the industrial products that these countries export, and tariff concessions for the main agricultural exports.

However, such measures are not sufficient in themselves, because they are only an incentive and a means of assisting sales on our market. In addition to these measures, the Commission must help the Mediterranean countries to develop their economic infrastructure, and diversify and modernize their production in every sector. The *raison d'être* of financial cooperation is, in fact, precisely this.

The Commission is therefore in full agreement with the motion for a resolution presented to Parliament, which emphasizes the need to guarantee the continuity of financial cooperation. The Commission is anxious to make it clear that it has set the wheels turning so that the new financial protocols can be applied without waiting for them to come officially into force, and the European Investment Bank has done the same. With this in view, the Commission and the Bank have already sent missions to the majority of the countries concerned, and these missions have already started or made arrangements to examine the projects that are to be financed by means of the new financial protocols.

Undoubtedly, the financial resources allocated by the Community are limited, compared to the massive sums our partners would need to implement their development programmes. Undoubtedly, too, the financial aid provided by the Community budget — which is the most advantageous aid, because it is granted in the form of gifts and special loans — has not been increased by as much as was hoped for, in relation to the first financial protocols, because of the cuts in expenditure contained in the Community budget — which, however, as we are all aware, has other commitments in other parts of the world. When sharing out the new aid appropriations between the various countries, the Community has endeavoured to bear in mind the particular situation of each country.

These aspects of the new Community aid to these countries make it essential for us to seek all other suitable means of developing cooperation with our Mediterranean partners.

The Commission has already declared itself in favour of imparting a new impetus to cooperation: see, for example, its note to the Council, dated 24 June 1982, in which the Commission expressed its own views regarding the implementation of an enlarged Community's global Mediterranean policy. The Commission unreservedly agrees with the line expressed in the last point on the motion for a resolution, in which it is recommended that — I quote — 'when the EEC's Mediterranean policy comes under review... the extreme political and economic importance of these countries for the Community should be kept in sight'.

This is the thinking underlying the guidelines indicated by the Commission in its above-mentioned note

Giolitti

on the Mediterranean policy of the enlarged Community. One of these guidelines relates to financial cooperation.

On this subject the Commission, in its note, considers that the Community should make a greater financial effort, so as to take account of the real importance of its relations with the countries in the southern Mediterranean. The amounts provided for in the protocols must certainly be increased in future, but at the same time it is necessary to bear in mind that there is a limit to what can be done in this field. A great deal of ingenuity will therefore be necessary, to make effective not only straightforward financial aid but all the instruments that can increase the flow of finance to the Mediterranean countries: in particular, the mobilization of resources on the international capital market must be encouraged.

Encouragement must also be given within the Community to any measures likely to facilitate cooperation between the financial, commercial and industrial sectors in Europe, and those in the countries of our southern Mediterranean partners. There is already some cooperation of this kind, but it needs to be developed further. This also is one of the objectives laid down in the agreements.

Mr President, I would ask you at this point whether I must reply to the question from Mrs Fuillet that I can see on the agenda, coupled with this resolution. Since I cannot see the honourable Member in the chamber, perhaps I might give a written answer?

President. — The debate is closed.

The vote will be taken at the next voting time.

10. *Manufactured tobacco*

President. — The next item is the third report by Mr Beumer (Doc. 1-789/82) on behalf of the Committee on Economic and Monetary Affairs, on the

proposal from the Commission of the European Communities to the Council for a directive amending Directive 72/464/EEC on taxes other than turnover taxes which affect the consumption of manufactured tobacco (Doc. 1-328/80)

I call the rapporteur.

Mr Beumer, rapporteur. — (NL) It would be wrong to think that this report dealt simply with a technical tax matter. The whole subject can only be approached in the light of the important political objective of creating an internal market. Harmonization is an important instrument to this end, and the Committee says as

much in paragraph 1 of the motion for a resolution. But a number of conditions must be met. Firstly harmonization should help to reduce distortion of competition, encourage free movement and free price formation.

Mr President, the tobacco market which we are discussing is no simple market. On the one hand there are national monopolies, on the other hand there are large companies; furthermore the type of product varies considerably. But it is important that we ensure free price formation, and our Committee would appreciate some details on this. When we see some markets operate with low prices and at the same time suffer losses, then we could well assume that it is being subsidized; we are glad that the Commission is seeking clarity here and taking appropriate measures. It is also important that all tobacco manufacturers comply with Article 37, Para. 1 of the Treaty. The Commission is intensifying its pressure here as some Member States have exceeded the agreed deadlines.

An important aid, and the Committee makes this point, would be the implementation of a directive on greater transparency in financial relations between Member States and public companies. The Commission says in its report that interpenetration of the markets is relatively weak. On the other hand it is difficult to assess the degree of interpenetration in view of the production in countries to which we used to export. We ask the Commission to take this into consideration. We cannot say that there is absolutely no interpenetration. In a number of countries there has indeed been an increase in import quotas.

In certain other countries the number of firms on the market has also risen, thereby confirming that the earlier stage of harmonization has had some effect. But the majority of the Committee nonetheless believes that the Commission's report does not enable us to make a proper assessment of what the ideal relation should be between the specific component of the total tax and the *ad valorem* part. The conclusion at any rate is that if we have 20% for the specific component with increasing taxes — as in Denmark — then all too quickly the specific component must rise to above 20%. Otherwise you find yourself with multipliers of more than three, which obviously is unwanted. The result of the Committee's deliberations is that we cast serious doubt on the criterion of comparable efforts, for if we push the specific component beyond 20% then it becomes difficult to apply the criterion of comparable efforts. We must realize that.

The Committee also asks the Commission to consider in future proposals an alternative harmonization of the *ad valorem* part as this would at least contribute to more uniform competition. At all events all Member States must have at least completed stage two.

In conclusion, Mr President, the Committee gives a clear-cut no in paragraph 7. In no way can we accept

Beumer

the Commission's proposals on stage three; we believe they should be accompanied by other proposals covering all aspects of harmonization including collection of duties. And we consider that the present proposals do not constitute an acceptable alternative for continuing harmonization after stage two. I think that the Committee on Economic and Monetary Affairs at any rate has given an indication in that direction. But let there be no misunderstanding, the Committee does want further harmonization as this helps the creation of one single internal market which is to be warmly welcomed.

President. — I call the Commission.

Mr Tugendhat, Vice-President of the Commission. — Mr President, it would have been a sad fate to have stayed here all day and to have missed my opportunity at the last moment, so I am grateful to you for giving me the opportunity to speak. I would also like to commiserate with Mr Beumer on the fact that, after the enormous amount of work that he has put into this subject over a very long period, the report should be coming up at the fag end of a long day and seems likely indeed to be divided by the night as well.

Mr President, in fulfilment of the undertaking given on 18 June 1981 the Commission presented its report on the implications of further harmonization of the excise on manufactured tobacco on 24 February of this year. My agreement to present a report was given on the understanding that 'when the conclusions of that study are ready Parliament will deliver an opinion without delay'. Those words are a quotation, because this, of course, is the Commission proposal for a third stage of harmonization. Now the Commission was anticipating that after almost 2½ years and three reports from the Committee on Economic and Monetary Affairs Parliament would now be in a position to give a clear view as to the way forward. After 2½ years and three reports it is perhaps not asking too much to hope for a decision of one sort or another, even in the Community! Bearing in mind that understanding, Mr President, the Commission noted with particular satisfaction Parliament's remarks in its opinion of 18 December 1981 on the proposal to prolong the second stage to the end of this year, to the effect that its approval of the prolongation was — and again I quote — 'on condition that this extension is the last and that in the meantime decisions are taken on further harmonization'. That is what Parliament said.

The Commission is therefore all the more surprised — perhaps not surprised, as we are used to it, but nonetheless a trifle taken aback — to find that the present draft resolution, notably paragraph 7, not only expresses disagreement with the third stage proposals but also envisages further prolongation of the second stage pending the submission of final proposals. This is, of course, in apparent conflict with Parliament's

own resolution adopted less than a year ago. Moreover, no amendments or counter-proposals are put forward, so that there is no indication of Parliament's own intentions for the third stage. The Commission, Mr President, has already found it necessary, as a precautionary measure, to propose extension of the second stage for a further year to the end of 1983. We will, of course, now have to consider our stance as to the third stage.

Now as regards the final stage, paragraph 8 offers some guidance, stressing that a specific component higher than 20% would then be desirable. However, as the third stage proposals are for a specific component ranging from 10% to 35%, they leave a considerable margin of manoeuvre in determining the final stage, on which the Commission has yet to make formal proposals, having made it clear that the 20% figure serves at present only as a reference point. The third stage proposals are not therefore incompatible with a specific component at the final stage of more than 20%. However, they are nonetheless rejected.

It could, of course, be held, Mr President, that the Committee on Economic and Monetary Affairs, in rejecting a third stage of 10% to 35% and in seeking a final stage higher than 20%, is in reality signalling a preference for a final stage higher than 35%. But if that were the case I cannot help feeling that the committee would have chosen a less Delphic manner of expressing itself and would have chosen precise figures. Taken together, therefore, paragraphs 7 and 9 offer nothing to replace the third stage proposals, except prolongation of the second, and offer no precise figures for the final stage. On the basis of these paragraphs the Commission could have no realistic expectation that replacement of the present proposals by other proposals would have any chance of meeting with Parliament's approval.

These remarks, Mr President, I hope, do not sound unduly harsh, but these remarks are in fact considerably reinforced by the amendments which have been put forward. The divergence of views within Parliament is highlighted by a comparison between Amendment No 1, which is moved by Mr Beumer himself; Amendment No 2, moved by Mr Berkhouwer; and Amendments Nos 5 to 8, moved by Mrs Poirier and others.

On the one hand Mr Beumer's amendment consistently with all the efforts he has made as rapporteur — and I would like to pay tribute to those — over the past 2½ years both endorses a modest third stage and puts forward a precise objective: that of a total multiplier of 2.5 at most for the final stage. This amendment has the great merit of both continuing harmonization and of offering a precise view on the final stage. Moreover, it is not so far removed from the Commission's own thinking, that is to say a total multiplier of about 3 at the final stage.

Tugendhat

By contrast, Mr Berkhouwer's amendment appears to favour a relatively low multiplier at the final stage.

I should add that in the absence of precise figures this amendment would still leave us all in considerable uncertainty as to the final objectives. Moreover, this amendment ignores the fact that cigarettes can hardly be treated like other consumer goods precisely because of the combination of high tax incidence with the relatively limited differences in their production costs.

Amendments 5 to 8, tabled by Mrs Poirier and others, do not give us any better guidance, whether on the third or on the final stage. I believe, Mr President, from the terms of these amendments that Mrs Poirier favours the highest possible multiplier in contrast both to Mr Berkhouwer and Mr Beumer. Moreover, Mrs Poirier's amendment, No 7, is also at odds with Mr Beumer in that it seeks maintenance of the status quo. Even more confusing is Mrs Poirier's Amendment No 8 which asks the Commission to abandon its proposals and reconsider its approach in the light of Parliament's resolutions.

But, as I have already pointed out, Parliament's resolution of 18 December 1981 explicitly insisted on decisions on further harmonization before the end of this year, and the draft resolution now before Parliament gives no guidance on the third stage and very little on the final stage. Moreover, I do not think there is very much chance of my being any wiser at the end of this debate about all these amendments because I see that Mrs Poirier is not on the list of speakers.

Now, Mr President, turning to the choice between the present method of harmonizing the excise by fixing the specific component as a proportion of total tax, or by fixing the *ad valorem* elements as a proportion of retail price, the Commission, in conclusion 20 on page 128 of our report, made it clear that it does not rule out the possibility at the final stage of structural harmonization then converting from the present approach to one based on a harmonized *ad valorem* element — a point which I think Mr Beumer touched on in his speech.

The Commission reads paragraphs 11 and 14 of the draft resolution as going in that direction. It would, I think, be premature to give any firm undertaking at this time, but I am pleased to record a certain convergence of views on this point, subject, of course, to any further developments in the future.

Finally, Mr President, I cannot let this occasion pass without noting that the exchanges between Parliament and the Commission on this issue have established important precedents in our institutional relationships. You will recall that the debate on this question in May 1981 was the first occasion on which Parliament made use of Rule 35(3). The Commission responded first, by proposing amendments in committee and subsequently by carrying out our study and by giving a formal

undertaking not to pursue the proposals further until Parliament had given its opinion. As you know, Mr President, that undertaking was also formally communicated to the Council.

Now, whatever our respective views on the more recalcitrant aspects of tobacco tax harmonization, I therefore think we can regard this consultation, viewed in the wider institutional context, as an important step forward in our joint efforts to obtain for Parliament as full a role as possible in the Community's legislative process. In these circumstances, Mr President, I can only express regret that Parliament has not felt able to provide clear guidance on further work on the subject under debate. We are, I think, in as much of a cloud of smoke, if I may put it that way, at the end of all this work as we were at the beginning about what exactly, if anything, Parliament would like to see done.

(Applause)

President. — I call the Socialist Group.

Mrs Desouches. — (FR) Mr President, ladies and gentlemen, I consider the motion for a resolution from the Committee on Economic and Monetary Affairs on the whole sensible, although I disagree with certain points in it.

There is no doubt that the harmonization of excise on manufactured tobacco, and especially cigarettes, is one element of a common market, and as such is an aim to be pursued. But the situation is not straightforward. On the one hand the effects on health of this product are far from negligible. On the other hand we must not forget that this sector is of considerable economic importance as the industry employs 100 000 persons in the Community; there are also 250 000 planters of raw tobacco employing 600 000 persons, and 500 000 persons involved in the distribution.

The aim of harmonization is to improve competition. On competition, the Commission makes some interesting points in its remarkable document on the implications of harmonizing excise on manufactured tobacco. It states that no tax achieves neutrality and that irrespective of the system or structure chosen for taxing one category of goods, the very levying of the tax inevitably changes to some extent the preferences enjoyed by consumers before taxation. The structure of the tax obviously favours one or other category. Therefore the structure of a given tax is a political choice which reflects social and economic priorities. Although it is difficult to estimate the elasticity of demand of cigarettes, because of the price, the Commission recognizes that harmonization of tax structures may trigger off changes in the part of the production in the hands of the manufactures, even if the overall effect is marginal.

Desouches

The overall level of production or employment in the Community is an abstract idea, perhaps even irrelevant, to the small Greek or Italian tobacco producer who may face the loss of outlets or jobs. Indeed the Committee on Budgets puts the drop in consumption of tobacco produced in the Community at 1 300 tons, giving rise to 2.94 million ECU additional expenditure from the EAGGF. To offset this, additional imports would amount to 2 050 tons and only produce 0.40 million ECU. Need I remind you that the Community has a tobacco production which covers 45% of its needs, has a surplus of oriental tobaccos and a deficit of other kinds. Furthermore, tobacco producers most often live in the poorest regions of the Community, especially in Greece and Italy.

In view of all that I do not think it urgent to take the proposed measures to implement the third stage of harmonization. Why upset the tobacco market, with the inevitable loss of jobs, at a time when the Community has already trouble on so many fronts? Are there not more urgent jobs to be done? Should we not rather wait, and concentrate on retraining the Community producers of a tobacco which is no longer in demand? Should we not preferably wait for the accession of Spain and Portugal before harmonizing further a market which is of direct interest to these two countries?

For all these reasons I approve the motion for a resolution, especially paragraph 7, which rejects the Commission's proposals for implementing a third stage, and request the extension of the second stage.

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

Mr Müller-Hermann. — (DE) Mr President, Commissioner Tugendhat has just stated that, in tabling this motion for a resolution, the Committee on Economic and Monetary Affairs was stabbing the Commission in the back. I am not so sure that this is a correct assessment. Indeed one could put forward quite the opposite viewpoint: heretofore the Commission has not displayed any deft touches in the area of tax harmonization, surely a formidable problem in sectors other than that currently under discussion.

The committee had specific grounds for holding that it would not, at present, be judicious to make recommendations for the third stage for as long as doubt persists over the degree to which the first and second stage proposals have found application in the Member States, or that the operations of State-run monopolies in this sector have been revealed and stripped of their inherent discriminatory trade practices and the resultant subsidy-related distortions to free competition.

Colleague Beumer has conducted an unusually intensive study of this matter and has reached a solution

which Commissioner Tugendhat has qualified as being not so far removed from the Commission's own thinking on the subject, which, however, it has not heretofore made public. Perhaps it would have clarified matters if the Commission had presented its paper in advance. But this was not the case. The fact that the rapporteur has himself tabled an amendment is sufficient proof that he is less than totally satisfied with the motion for a resolution in its present state.

I fully appreciate that there are very real grounds for hesitation to induce the Commission to hold, at least for the time being, the introduction of the third stage in abeyance until it has had time for reflection and for the eventual elaboration of a new proposal which would be similar to colleague Beumer's amendment.

We shall, therefore, lend our support to the broad outlines of the report of the Committee on Economic and Monetary Affairs and look forward to colleague Beumer's amendment finding majority support in this House.

President. — I call the European Democratic Group.

Mr Hopper. — Mr President, the problem that has faced the European Community in the past decade relates to one single word. The word which appears in the original basic directive on this subject which laid down that the range of retail sale prices for cigarettes should reflect to a *fair* extent the difference in delivery prices.

Now, because the word 'fair' is exceedingly difficult to understand and interpret, five of the Member States at that time and the Commission tabled a minute saying that in their view the word 'fair' was to be taken as meaning that cigarette taxation should be harmonized on the basis of a high rate of proportional tax.

At that time, Mr President, this was an understandable interpretation. The relationship of proportional taxation to a condition of competition was little understood. But a great deal has occurred in the past decade. We have had an extremely important series of judgments by the European Court of Justice. The Economic and Social Committee has produced an extremely important report on that subject. In my own country, the committee of the House of Lords which deals with European legislation and which has gained very considerable authority has also issued a report.

For the first time this very year there has been a thorough academic study of the nature of the problem. In other words, we know a very great deal more today than we did ten years ago and it is this that has led the Committee on Economic and Monetary Affairs, not once but three times, and this Parliament twice so far and probably three times if one includes tomorrow, to take a view radically different from the view expressed

Hopper

in the original minute — the so-called mandate by which the Commission feels itself bound — of 1972. So it would appear that the European Commission is the one soldier who is in step. The entire regiment is in a different step. But not even the European Commission is in step with itself because only two years ago the Commission ruled in the case of alcohol taxation in Denmark that *ad valorem* taxation, that is proportional taxation, at a high rate was injurious to competition, which is precisely the position of the Committee on Economic and Monetary Affairs.

Now I must thank Commissioner Tugendhat for achieving a number of things. He has, working with us, achieved a constitutional advance which is of very considerable importance for this Parliament and also for the European Community as a whole. He has also succeeded in making a very funny speech which I think we all enjoyed — which is quite an achievement at this late hour. But I think he has made a number of very unfair criticisms. First of all we considered putting a precise proposal in our text. We decided not to because we felt it is not the business of Parliament to make precise proposals. It is the business of the Commission to come to us. He has also made a little fun of us for the divergence of the amendments that have been moved but, Mr President, all these amendments had been rejected in committee and the likelihood is that all of them will be rejected tomorrow morning.

In conclusion may I say, Mr President, the Parliament's message is clear and totally unambiguous. We believe that for ten years the Commission has been proceeding obstinately upon the same and upon the wrong tramlines and that it is necessary now to have a change of direction.

President. — I call the Communist and Allies Group.

Mr Wurtz. — (*FR*) First of all I should like to inform Commissioner Tugendhat — who remarked ironically that my friend Mrs Poirier was not on the list of speakers even although she had tabled some amendments — that Mrs Poirier had to leave Strasbourg earlier than she had intended. But I can reassure the Commissioner that she fully shares the opinions I am about to express.

The measures taken by Brussels since 1976 under pressure from and in the interest of multinational firms led to a continued drop in the use of Community tobacco and a parallel development of imports in flagrant breach of the principle of Community preference. In 1972 imports only accounted for 7.7% of the Community market. Until 1976 they rose by 10% per annum. As of 1976 when the French government under Mr Giscard d'Estaing gave in to Brussels by ending the tobacco monopoly these imports soared to 30% per annum. The consequences are very serious for my country, France; firstly there has been a reduc-

tion in the surface area under plantation and the number of planters has dropped from 41 700 in 1970 to 36 000 in 1976, to 24 000 today; then our national industry has crumbled with thousands of redundancies and a worsening of our trade deficit.

The Commission's proposal for a directive to move to the third stage of harmonizing taxation of manufactured tobacco would accelerate this dangerous development. When implemented, and the Commission admits as much in its document, the directive would favour the multinationals dominating the Community market, give an additional spur to imports and encourage a further drop in the use of Community tobacco and therefore in the areas under plantation and the number of tobacco producers who mostly have family businesses.

Last year, during the debate on the previous Beumer reports we helped to maintain the status quo by rejecting the proposals for a directive. This year the Commission returns to the attack without having changed one iota of its initial proposals.

Under these circumstances, since the same causes produce the same effects, we have no intention on our part of changing our mind. That is why we welcome the report from the Committee on Economic and Monetary Affairs which, contrary to the initial wishes of its rapporteur, Mr Beumer, rejects the third stage of harmonization.

We wish however to express certain reservations since we hold that it interferes wrongly in the affairs of our country by unjustifiably attacking Seita.

The aim of our amendments, Commissioner, is precisely to counteract this trend as part of our attempt to regain the internal market. This can only be done by our national industry making better use of our production and reducing our trade deficit, by offering more effective resistance to the penetration of the market and to the pressure of multinationals whose representatives, I believe, are extremely interested in this debate.

President. — I call the non-attached Members.

Mr Paisley. — Mr President, I rise to speak briefly in this debate because of the vital importance of this directive on tax harmonization for Northern Ireland jobs. We have in Northern Ireland hundreds of jobs in the tobacco industry. The two firms of Gallagher and Carreras make a crucial contribution to employment, particular in the towns of Ballymena and Carrickfergus and in the city of Belfast. I am convinced that the Commission's proposal if implemented would do severe damage to those jobs in Northern Ireland and indeed to jobs throughout the UK. I therefore welcome the opposition of today's resolution to the Com-

Paisley

mission's proposal and the stand taken by the Committee on Economic and Monetary Affairs. It is unacceptable to be told by the Commission that we should proceed to the third stage of harmonization when all Member States, particularly Italy, have not complied fully with the provisions of the first and second stages. In these circumstances the only realistic course in my opinion is to prolong the second stage of harmonization. To do otherwise would be premature and irresponsible.

President. — I call Mr Paulhan.

Mr Paulhan. — *(FR)* Mr President, Mr Deleau has been taken unwell and I was surprised a short time ago when I saw his name on the list of speakers that I was not called in his place. Would you please tell me why you failed to call Mr Deleau? I was asked to replace him.

President. — Mr Paulhan, you will have the honour of being the very first speaker tomorrow on this subject.¹

(The sitting was closed at midnight)

¹ Agenda for next sitting: see Minutes.

ANNEX

Votes

The Annex to the Report of Proceedings contains the rapporteur's opinion on the various amendments and the explanations of vote. For a detailed account of the voting, see Minutes.

**MOORHOUSE MOTION FOR A RESOLUTION (Doc. 1-853/82 Eurocontrol):
ADOPTED**

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**SEGRE MOTION FOR A RESOLUTION (Doc. 1-863/82 'Desaparecidos') —
PEDINI MOTION FOR A RESOLUTION (Doc. 1-868/82 Argentina)**

The two motions for resolutions were replaced by a **COMPROMISE AMENDMENT**, tabled by Mr Segré and others on behalf of the Communist and Allies Group, Mr Pedini and Mr Barbi on behalf of the Group of the European People's Party (CD Group), Mrs Van den Heuvel and Mrs Macciocchi on behalf of the Socialist Group and Mr Berkhouwer and others on behalf of the Liberal and Democratic Group, which was **ADOPTED**.

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**LEZZI MOTION FOR A RESOLUTION (Doc. 1-898/82/rev. Uruguay):
ADOPTED**

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**HABSBURG MOTION FOR A RESOLUTION (Doc. 1-869/82 Law of the Sea):
REJECTED**

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WAGNER MOTION FOR A RESOLUTION (Doc. 1-856/82 Steel): ADOPTED

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**FERGUSON MOTION FOR A RESOLUTION (Doc. 1-873/82 Somalia):
ADOPTED**

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**DE LA MALENE MOTION FOR A RESOLUTION
(Doc. 1-864/82 Video market): REJECTED**

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**MØLLER MOTION FOR A RESOLUTION (Doc. 1-872/82 Trade measures):
ADOPTED**

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**GLINNE MOTION FOR A RESOLUTION (Doc. 1-881/82 EEC-Japan):
ADOPTED**

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**VON WOGAU MOTION FOR A RESOLUTION (Doc. 1-896/82 French imports):
ADOPTED**

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O'HAGAN MOTION FOR A RESOLUTION (Doc. 1-897/82 Butter): ADOPTED

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**SHERLOCK MOTION FOR A RESOLUTION (Doc. 1-882/82 Whaling):
ADOPTED**

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**PULETTI MOTION FOR A RESOLUTION (Doc. 1-852/82 Earthquake):
ADOPTED**

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**BARBAGLI MOTION FOR A RESOLUTION (Doc. 1-855/82 Earthquake):
ADOPTED**

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**BARBARELLA MOTION FOR A RESOLUTION (Doc. 1-858/82 Earthquake):
ADOPTED**

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LAGAKOS MOTION FOR A RESOLUTION (Doc. 1-854/82 Floods): ADOPTED

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PIQUET MOTION FOR A RESOLUTION (Doc. 1-871/82 Storms): ADOPTED

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**BANGEMANN MOTION FOR A RESOLUTION (Doc. 1-883/82 Storms):
ADOPTED**

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FANTI MOTION FOR A RESOLUTION (Doc. 1-894/82 Floods): ADOPTED

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**DURY MOTION FOR A RESOLUTION (Doc. 1-879/82 Foreign students in
Belgium): ADOPTED**

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LINKOHR REPORT (Doc. 1-654/82 Research): ADOPTED

The rapporteur was:

- IN FAVOUR of Amendments Nos 1, 2, 3, 4, 10, 11, 14, 15, 17, 21, 22 and 26;
- AGAINST Amendments Nos 5, 6, 7, 8, 9, 12, 13, 16, 18, 19, 20, 23, 24, 25 and 27.

Explanations of vote

Mr Alavanos. — (GR) Mr President, although we agree with certain positive points, we cannot agree with the entire Linkohr motion for a resolution for the following reasons: firstly, the EEC common research policy caters exclusively for the interests of the monopolistic capitalist system of Western Europe, so as to enable the EEC to be in a position to meet the challenge presented by competition from Japan and the USA. It almost completely ignores the problems of the less developed countries of the EEC, which are precisely the countries where there is most technological stagnation: Greece is an example of such a country.

Secondly, the report basically ignores the problem connected with technology transfer from the developed to the less developed countries of the EEC. This type of assistance could be given by the EEC to other countries such as Greece without causing the EEC very much extra expense. But the EEC has been in existence for two decades and enlarged for almost two years, and as far as Greece is concerned, such efforts have basically been confined to the development of Greece's potential in the field of experimentation in energy research, not because there is a political desire to assist Greece's development, but because the climate and other conditions in Greece favour experimentation in this field.

In addition, now that scientists can move more freely and there are increased Community funds for research, Greece is basically expected to pay an even greater price for the research work of the large Western European monopolies.

Thirdly, the report ignores the fundamental question of the transfer of funds from military to productive research. On the contrary, it is definitely demonstrated in paragraph 18 that preference is given to military research, and for this reason we vote against the report.

Mr Ippolito. — (*IT*) Mr President, the Italian members of the Communist and Allies Group will vote in favour of the Linkohr report, and would like to emphasize the importance which the group attaches to energy problems, particularly with regard to the gradual formation of a common energy policy in the Community. The only possible support for this common policy is a common research policy and we are therefore very grateful to Mr Linkohr for his detailed and accurate report.

Common scientific technical research is, for our countries, one of the sectors of activity for which greater Community cooperation is vital. It is absurd that the Community should spend on common research only 1.5% of what the ten Member Countries spend on overall research. This figure shows that genuine cooperation has hardly started, after 30 years that the Community has been in existence. This also means that energy and resources are being wasted, programmes are being duplicated and there is an absolute lack of coordination. We hope that, by voting in favour of this motion, although we realize that really there is no hope, the Council of Ministers and the Commission will realize the significance of the approval given by Parliament to this motion.

Mr Markopoulos. — (*GR*) Mr President, as we have already said, we believe this report to be of great importance for the progress of Europe and for its competitiveness with large and technologically very advanced countries such as Japan, the Soviet Union and the USA.

We would, however, emphasize that the Community will win its struggle only if a) it makes an attempt to bridge the gap which exists between the various Member States with regard to technological development, b) if it develops all its regions so that proper research centres can be established and c) if it makes use of all the scientific potential of the Member States on an equitable basis without scientists being exploited by the Community, so as to put a stop to the brain drain, especially from the lesser developed countries of the Community, to America.

We believe that Amendments Nos 23, 24 and 25 are vital for these objectives. Unfortunately, since they have been rejected by this House, the report takes the Community further away from these objectives and contributes to the protraction of a situation where two groups are forming in the Community, consisting of the technologically developed large States and, on the other hand, the technologically underdeveloped countries, and it increases the distance between the two groups. We are therefore opposed to the final report, but since we do not wish in any way to oppose any sort of development in European research and development, we members of PASOK wish to abstain from voting.

Mr Petersen. — (*DA*) Mr President, I had tabled three amendments to the report, and I was extremely pleased to note that Parliament accepted the first one on the establishment of semi-permanent research institutes instead of Ispra-type institutes and suchlike. I was extremely pleased with that. However, the two other amendments which I had tabled concerned paragraphs 48 and 50, where there is talk of a change to the Treaty, and I pointed out to my good friend and respected colleague, Mr Linkohr, that I regard it as totally unrealistic to introduce this into an otherwise outstanding and well-prepared report. I think it is wrong to approve something which anyone with only an inkling of the policy of the national governments can see will never come to anything, since it deeply concerns the whole constitutional question. Since we Danish Social Democrats are federalists and not unionists, we are extremely uncomfortable with views which concern the constitutional issue. For these reasons I shall abstain from voting, despite the fact that, apart from these two points, I regard the report as an excellent piece of work.

Mr Adam. — Mr President, during the debate I said that the group would vote against Mr Pedini's Amendment No 21, because we did not consider it relevant to this particular report. On reflection, however, we thought that this would give the wrong impression of the group's attitude towards the work of the JRC centre at Ispra, and that is why the group voted for the amendment a few moments ago.

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**PROUT MOTION FOR A RESOLUTION
(Doc. 1-899/82 Commission's failure to act): ADOPTED**

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MOUCHEL REPORT (Doc. 1-837/82 Agricultural prices): ADOPTED

The rapporteur was:

- *in favour* of Amendments Nos 3, 17, 30, 31, 32, 42, 43, 44, 53, 54, 71, 72, 73 and 76;
- *against* Amendments Nos 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 22, 23, 24, 25, 26, 27, 28, 29, 33, 35, 36, 37, 38, 39, 41, 45, 47, 50, 52, 55, 57, 58, 59, 60, 61, 63, 67, 68, 69, 74, 75 and 77.

Explanations of vote

Mr Gautier. — (*DE*) I wanted to make it clear for the benefit of the House and of the general public that it is a good idea to have roll-call votes. In Tuesday's roll-call vote the Christian Democrats voted in favour of this:

Welcomes the Commission's decision to bring EEC cereals prices more into line with those of its main competitors.

That is in Tuesday's minutes.

(Interruption)

I am telling you that you can find it in Tuesday's minutes. I am not lying; you can find it there. Today the same group has decided the following:

Reaffirms that it is neither realistic nor desirable to seek to bring the prices of Community cereals into line with those applied by major producer countries.

That is the kind of woolly thinking we have to put up with. Apart from that, the report is so unbalanced in my view that personally I intend to vote against it.

Mr Woltjer. — (*NL*) Mr President, I should like to state very clearly that we have made the objection against this report that it does not reflect any clear position on the part of this Parliament. The only improvement we have now made is that we have put the problem to the Commission, which has been aware of it for some time already. However, the solution has been left by the wayside. We have not used the price mechanisms to tackle the problem of overproduction and we have failed to propose any other means of doing so either. My group continues, therefore, to oppose this report even though it has now been improved to some extent, since it does not in fact really represent guidelines for the Commission from this Parliament, which has, as Mr Gautier pointed out, discussed this question on several occasions this week from various points of view.

Mr Pranchère. — (FR) Mr President, in my speech I approved the general direction of the Mouchel report, which incorporated certain of our proposals.

I now find that the scope of the report has been diminished by the adoption of certain amendments, in particular those proposed by Mr Woltjer. There are certain items with which we disagree, for example an opinion by Mr Plumb fixing production targets. There is the pegging of EAGGF expenditure at a level below the rate of growth in income. There is the abolition of tax on substitute products. In addition, our own amendments were not approved.

However, the report still contains a number of positive points, which we supported and for which we voted. It is true that there are various risks and uncertainties which give us grounds for concern. Nevertheless, in the light of what we have heard from Mr Woltjer, who is not satisfied, and on the understanding that we shall be fighting to defend the interests of small and medium farmers when the time comes to fix the agricultural prices, we intend to vote for the report.

Mr Dalsass, (*written explanation*). — (DE) Last year the Commission submitted its price proposals so late that Parliament was able to adopt a position on them only under severe pressure of time if it was not to go over the deadline.

Legally speaking, the price proposals should be submitted by summer. However, this makes the forecasting somewhat difficult since the year in progress has not yet indicated next year's probable trends.

If, for this reason, we accept the proposals being submitted later, the Commission should nevertheless submit them to Parliament at least in October or in November at the latest.

Since this has not been the case this year either, and since we were afraid that they might be even later than they were, it was quite the right for this Parliament and its Committee on Agriculture to draw attention to the fact that swifter action is called for and for this reason I welcome the report by Mr Mouchel.

However, I am not so enthusiastic about the fact that, apart from calling on the Commission to act swiftly, this report deals with enough details to provide material for two debates on the price fixing and this, I think, is something which should be avoided. I only hope that we will be able to avoid similar things happening in the coming years so as to relieve Parliament of some unnecessary and, to a certain extent, useless work.

As regards the report before us, I support it this year even in this rather diffuse version.

Mr Marck, (*written explanation*). — (NL) The co-responsibility levy for dairy produce continues to be a very controversial issue among the producers who are at the same time those who pay it. Nowadays this controversy is not so much a result of the levy itself, since this is regarded as a necessary but temporary evil. There is however, growing irritation with the way in which the Commission organizes or fails to organize producer participation and the way in which this money is used — and above all not used — for its original purpose.

The Group of the European People's Party has accepted the idea of maintaining the co-responsibility levy both in this debate on the Eyraud report and in other price debates in the past. However, this acceptance has always been subject to the following reservations:

firstly, the co-responsibility levy must be a temporary measure, to be reviewed as soon as the surplus situation is rectified;

secondly, the money must be used exclusively with a view to finding *new* outlets for dairy produce, either on the internal market or on the world market;

thirdly, the producers' organizations must be permanently involved in policy-making.

It is becoming more and more difficult for the Group of the European People's Party to maintain our staunch support — for which, incidentally, the producers have not always been grateful — in the light of the Commission's behaviour.

Firstly, only very limited use is made of the money with a view to finding new market outlets. It is being used more and more to bolster up the budget by using it as a substitute for the normal budgetary amounts allocated for refunds. Even if interesting proposals such as the Christmas butter proposal are considered as likely candidates, the use of money from the co-responsibility levy is rejected. Where is the concrete programme for finding new outlets which we have been waiting for? Doesn't the Commission plan at all? Or is all this just an alibi? Could not the export agency which Parliament has been advocating for some time be of use here?

Secondly, as regards participation by the producers' organizations, all one can say is that it is a sporadic affair to say the least. The procedure originally decided on is disregarded in most cases and is subject to considerations of expediency in the light of the type of measure envisaged. I should be grateful if the Commission would tell us to what extent the producers' organizations were consulted on the use of money from the co-responsibility levy to pay for refunds instead of the amounts allocated for this purpose in the ordinary budget.

If the Commission is unable to give a satisfactory and factual answer to these two questions, it will be very difficult for those who are in favour of the co-responsibility levy to continue supporting it.

The persons who actually pay the co-responsibility levy, i.e. the producers, are wondering more and more what happens to their money, particularly now that the Commission is threatening to reduce the intervention prices. We urgently need a more clearly defined policy and, above all, a specific programme for extending our market outlets. It is in this spirit that the Group of the European People's Party intends to support the resolution by Mr Eyraud.

Mr Thareau, (written explanation). — (FR) Certain colleagues, certain members of the Commission or the Council consider an excess of foodstuffs to be a calamity, a catastrophe even. However, Europe needs to produce in order to guarantee her domestic safety and her place in the world. Foodstuffs play a strategic role in the world balance. Europe must make full use of her vast agricultural potential. It is indefensible that she should import a quarter of the world imports of agricultural products. We need agriculture in order to develop our rural spaces and maintain employment. We therefore need agricultural prices which will allow farmers to live as well as anyone else and attract young people to farming. The Mouchel report underlines all these points.

It is claimed that the EAGGF is oriented too much towards agriculture. This is quite natural, since agriculture is the only field in which an integrated policy exists. Moreover, agriculture is not the only domain to benefit from EAGGF expenditure. Finally, it is difficult to make forecasts because of the fluctuating dollar, speculation on the world market and production levels.

In fixing prices the Council of Ministers should take account of increases in production costs and the farmer's right to fair recompense for his work. Some people believe, or want to believe, that the Common Market consists of just one type of agricultural holding. Everyone knows that with inflation rates differing from country to country and with such a variety of agricultural structure a single price has so significance and only serves to aggravate the inequalities. Hence the need to make special provisions for countries with high rates of inflation and to abolish MCAs, the source of new imbalances. It is a question of fair-play between farmers, with large farmers at present benefiting excessively from the EAGGF. We will not accept a 2.2% drop in the support price on all dairy products for all producers. Mr Eyraud's resolution makes a positive contribution by urging greater support from large farmers while not penalizing smaller farmers supplying less than 150 000 litres of milk per year.

No other profession sees its selling prices fixed in Brussels. But this is the case for farmers. If European development is to be achieved on a fair basis agricultural income will have to

be acknowledged and the concept of differentiation according to country, region, product and holding will need to be taken into account. This is an essential requirement, both for the present and the future.

SITTING OF FRIDAY, 19 NOVEMBER 1982

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IN THE CHAIR: MR DANKERT

President

*(The sitting was opened at 9 a.m.)*¹

¹ Approval of Minutes — Documents received — Petitions — Referral to committee — Application of Rules of Procedure — Verification of credentials — Procedure without report (Vote — Rule 99): see Minutes.

1. *Votes*¹

EYRAUD REPORT (DOC. 1-776/82 'MILK SECTOR'):

President. — I call the rapporteur.

¹ See Annex.

Mr Eyraud, rapporteur. — (FR) Mr President, I request that it be established whether or not there is a quorum.

(The President established that there was not a quorum present)

President. — I call Mr Gautier.

Mr Gautier. — (DE) Mr President, did you ask whether in fact ten members supported the motion to establish whether or not a quorum was present? Otherwise I could table such a motion on my own. There is no doubt that there are always many Members who would like to do that. Yesterday, when the Mouchel report was being debated, we could have tabled such a motion and left the Chamber with a few people.

President. — I believe that ten members supported the request, but that can be checked.

I call Mr Van Minnen.

Mr Van Minnen. — (NL) Mr President, in the first place I am convinced that there were not 10 Members, even if now there might be. And in the second place you as President must test this, by counting 10 Members, and say: 'Ten Members have made a request to this effect', or note that there were not 10 Members. You did not do this.

President. — (NL) Yes, I ought to have done that, but I assumed too quickly that there were actually 10 Members. However, I agree with you that we should check this.

I would ask the 10 Members who support Mr Eyraud to stand.

(More than 10 Members stood up)

The vote is therefore held over until Monday of the next part-session.

2. Manufactured tobacco (continuation)

President. — The next item is the continuation of the debate on the third report (Doc. 1-789/82) by Mr Beumer.

I call the Group of European Progressive Democrats.

Mr Paulhan. — (FR) Mr President, the Group of the European Progressive Democrats will not support the

Beumer report together with the report by the Commission.

We wish to state that we disagree with the Commission's claims that the distortions in retail price are the result of distortions in excise duty.

In fact retail prices are fixed by the public authorities or with their consent, and this decision in general takes account on the one hand of the budgetary requirements of the States concerned and on the other considerations of public health. Harmonizing the retail price of tobacco and cigarettes would mean imposing identical fiscal revenue on all the governments, whereas the distortions pointed to in these countries are the result of budgetary and social policy.

Although this aspect clearly exists, it was not clearly brought out in the report. More serious is the fact that the consequences of allowing any delay where this harmonization is concerned for the free circulation of travellers within the countries of the Community so that I am led to ask whether this is simply a tactic to tip the scales in the direction the Commission wants. We cannot accept the unacceptable, that is to say the completion of a third harmonization phase when no manufacturer, no retailer in the countries of the EEC and indeed no government administration wants it. There is reason to fear that this will have very serious consequences for planters at a time when, because of the current economic situation they are experiencing extreme difficulty in continuing to make a profit. They are currently trying to convert to other varieties to ensure that their products keep step with the developments in smokers' tastes but this conversion in addition to requiring investment is very time consuming.

We should therefore retain the status quo for a few years before considering examining the problem, since imported brands have their own supplies of leaf tobacco outside the Community. Let us give planters time to adapt their crops to the needs of the market.

Let us hold off signing the third stage of harmonization at the moment since such haste runs the risk of forcing many Community planters out of business and thereby increasing unemployment still further.

In his report Mr Beumer goes on criticize the systems for selling these products in France and Italy, claiming that they depend on the State but failing to stress in the interests of a clear debate that in those countries where sale is allegedly free a genuine monopoly of brand exists, which does considerable damage to small businesses. In fact only a small number of products account for 80% of the sales from automatic dispensing machines or large surface sales whereas in fact, for example, 800 Community products are offered to customers on an equal footing.

President. — I call Mr Beazley.

Mr Beazley. — Mr President, I sincerely hope that the Vice-President of the Commission will not take it amiss when I say that I found his presentation on the Beumer report last night most extraordinary. Many of us on the Committee on Economic and Monetary Affairs have had to become, willingly or unwillingly, quite expert in analysing the situation in the different Community markets of the Six and then of the Nine in order to evaluate the advantages and disadvantages of different levels and combinations of specific and ad valorem taxation. It was extraordinary for us to be criticized for not exceeding our parliamentary competences and authorities and to be asked to do the work of the Commission when we have consistently in many reports told the Commission's representatives why we believe that their proposals are bad ones and what we believe would be preferable.

Even more extraordinary were his remarks on an amendment by our rapporteur to the committee's report; however much we admire the goodwill and tenacity of our rapporteur, he has never been able to get his own report through our committee but, nevertheless, has consistently moved closer and closer to the committee's views and unless we have to choose a different rapporteur in future, he may next time put forward a report which meets with the committee's favour first time. But what was beyond belief was that the Vice-President should have imagined that three amendments written by people who are not members of our committee, who have never to my certain knowledge participated in discussions on tobacco taxation, should find our approval.

Our concern is that our attempts to discuss these serious matters with the Commission officials have fallen on deaf ears. Despite the Commission's massive tome produced on 18 February and our visits to the Commission, we have not been able to have objective and serious discussion on the reasons why the Commission consistently rejects our views, however well-founded, which do not form part of the original considerations of a system designed by the Commission for a market of Six which contained only one country which had a relatively high level of specific taxation. This system has been applied to a market of nine, and now ten, in which the three entrants of 1973 operate in free competitive markets who maintain a vigorous tobacco industry with a very high level of marketing innovation, of research into health problems and their avoidance, firms based on independent finance where a leader can lose 25% of the market to a new entrant, firms which from a single country export worldwide more than the total production of Belgium and Holland.

I submit, Mr Vice-President of the Commission, that to consider today in your report that 'fair' means what was written in the Council minutes of 21 April 1970, that when the harmonization exercises were complete the proportional component should be predominant, is reminiscent of Moses descending from the mountain

with the tablets, but without the dancing, or the calf. Where is the analysis of the situation of the three markets of 1973? Why should the original assumption remain true? Why the implication that what may possibly be true of a commodity is not necessarily true of a highly sophisticated and highly differentiated product in a highly competitive market? Why should multipliers of three be favoured and even Mr Beumer's 2.5? Surely we all know too much about the real world to make such an oversimplified statement.

My own independent analysis of the multiplier and tax system and the joint analysis which Mr Beumer and myself undertook take us a lot further forward than that and we did, of course, all read the excellent dissertation on this subject in the House of Lords report, which takes quite the opposite views to Berlaymont. Where we do agree with the Commission is in the aim that the system of taxation should permit free price formation, free choice for the public, arm's length competition, no subsidies to state monopolies or agencies and respect for the Community's competition laws. Is that the experience of some ten years of attempts at tax harmonization under the present system with its preconceived ideas of the end point? No wonder we want to stop it before it damages that part of the market where free competition and free choice, market research and market development and product research and development, take place to the satisfaction of the public to provide an excellent level of exports and employment and where the governments have security of tax collection and take very much more tax in industry than where the opposite conditions exist and the courts of justice have to be brought in and even then do not get ready compliance.

Please be more self-critical in the Commission. Look at the market. Talk to the people who are in free competition and if we can help you in devising better ways of achieving your objectives, you can count on us to do so.

President. — I call Mr Ryan.

Mr Ryan. — Mr President, to understand the complexities of the taxation of tobacco I think you must be either very intelligent or half-mad. I of course put Mr Beumer, Vice-President Tugendhat, Mr Beazley and the other members of the Committee on Economic and Monetary Affairs in the first category.

But what happened last night? The Commissioner chastised Parliament because Parliament was slow in endorsing the Commission's opinion and because Parliament had considerable reservations. Now I do not think that attack on Parliament by Commissioner Tugendhat was good enough. What Parliament has said is that we have watched with some concern the manner in which developments towards tax harmonization have interfered with the tobacco industry in

Ryan

Europe. We are saying to the Commission, 'hold on, hasten slowly'. It is not acceptable that profitable, efficient, private enterprise tobacco manufacturers who operate without state aid or protection, should be sacrificed on the altar of tax harmonization in favour of inefficient, loss-making, subsidized, protected, state or other monopolies. It is also not acceptable as we proceed towards tax harmonization, which is a desirable end, that there should be an unequal burden thrown on various Member States. And therefore I think that Mr Beumer is quite right in the amendment which he has tabled which includes the statement that any tax harmonization must take into account the current wish for approximately equal efforts on the part of the various Member States.

Mr Beumer deals in his report with the slow progress on the part of the Commission and some Member States in removing the distortions by national manufacturing and trading monopolies. I do not find myself in entire agreement with Mr Beumer when he says that the delay in removing these distortions is no reason not to accelerate the movement towards tax harmonization, but that is a debatable point. What is important is that we ensure that the efficient enterprises in our Community are not made to suffer simply through the pursuing of an ideal, which out of an attempt to accomplish too much too quickly may do irretrievable harm.

President. — The debate is closed.

*Vote¹**After the rejection of the proposal for a directive*

President. — I must formally invite the Commission to withdraw its proposal.

Mr Giolitti, Member of the Commission. — (FR) We maintain our proposal for a directive.

President. — I call the rapporteur.

Mr Beumer, rapporteur. — (NL) Mr President, I understand that we can now vote on the report. It had escaped my memory that we would first be voting on the directive. As far as I am concerned, you can carry on with the vote.

President. — No, Mr Beumer, the situation is a little more complicated than that. The Commission is not

withdrawing its proposal for a directive. We have rejected that proposal and we are now faced with the choice either to vote on the resolution or to refer the matter back to the committee responsible. My question is: which does the rapporteur prefer?

Mr Beumer, rapporteur. — (NL) Mr President, in view of the indications in the report it seems to me quite all right that we should vote on the report. That would be my advice.

President. — I call Mr Bangemann.

Mr Bangemann. — (DE) Mr President, would you please explain to the House again what effect this will have from the point of view of the Rules of Procedure. If I understand the Rules of Procedure correctly, once we vote on Mr Beumer's motion for a resolution our consultation is complete. The Commission can then present the proposal which we have just rejected to the Council.

On the other hand, if we approve the rapporteur's proposal to refer the report back to committee the consultation procedure will not have been completed and, in line with the isoglucose judgment of the European Court of Justice the Commission cannot present the proposal to the Council. Would you therefore not ask the rapporteur whether he would not prefer to request referral back to committee since this seems to me to be the correct procedure.

President. — You have given us a very sensible interpretation of Rule 35(3), Mr Bangemann. That is why I offered the rapporteur the two possibilities. He did not say that we should not vote on the motion for a resolution, so therefore we must vote on it.

I call Mr von der Vring.

Mr von der Vring. — (DE) Mr President, it has become quite clear that, although Parliament is opposed to the Directive it has no alternative to propose and is therefore giving the Commission a free hand.

President. — I call Mr Hopper.

Mr Hopper. — Mr President, may I say on behalf of this group that it is our desire that the Parliament should express an opinion on this subject today.

President. — That means that we vote now on the motion for a resolution.

I call Mr Marshall.

¹ See Annex.

Mr Marshall. — Mr President, it seems to me that we are in a complete *impasse*. The Commission has said it will ignore our opinion if we deliver it. I therefore would like to move that the matter be referred to committee so that the Commission can have some thinking-time.

(Applause)

President. — Are you making a formal proposal to refer the report to committee, Mr Marshall?

Mr Marshall. — Yes.

President. — I put to the vote the proposal by Mr Marshall to refer the report to committee.

(Mr Arndt rose to ask for the floor — Parliament agreed to Mr Marshall's request)

I call Mr Arndt.

Mr Arndt. — *(DE)* Mr President, a procedural motion has been tabled and I asked to speak on it in time. You did not call me to speak. Although you clearly noticed that I wished to speak on this procedural motion you nonetheless proceeded with the vote.

(Applause)

I believe that this vote was not admissible. We have already done everything that our colleague has proposed. We have done exactly the same thing. Do we have to repeat it a hundred times? Must we keep on turning around in circles?

(Cries from the European Democratic Group)

No, I am sorry, that is not possible under our Rules of Procedure. We cannot keep on making the same proposals. It is stated clearly in the motion for a resolution that Parliament is opposed to it. Under our Rules of Procedure we have the possibility of saying to the Commission that we have rejected this proposal because we do not agree with it. We can then ask the Commission whether it is prepared to change its proposal. The Commission has taken a position on this. The Committee dealt with it several times and stated that we retain our position and that is what is stated in the report here before us and Parliament must finally get round to voting.

Mr Bangemann is quite correct. If Parliament delivers no opinion then, in normal circumstances the Commission cannot forward the report to the Council. But in this case it can, Mr Bangemann. If Parliament has already taken a decision and the Commission has presented its position and Parliament then simply refuses to vote on the matter, then according to the Rules of

Procedure and also the grounds for decision set out in the isoglucose judgment, then Parliament has exhausted all means of recourse. Therefore, the vote was false; it is something we cannot do. We cannot simply hold back a report since in that case the report would be completed.

In his report Mr Beumer simply says that we are opposed to this Commission regulation. I feel that Parliament is making itself look ridiculous. If all Members had read the explanatory statement in advance then no one would have again voted for postponement but for voting on the motion for a resolution.

President. — We are not talking about the substance of the matter but about the procedure. I indicated the ways in which we can proceed. Mr Bangemann in turn echoed what I had said, and it was perfectly clear to everybody what we were voting about. In addition, no debate had been envisaged on any preliminary question of this kind. I was able to proceed therefore, because Rule 85 lays down that

referral back to committee may be requested by any Member at any time.

I call Mr von der Vring.

Mr von der Vring. — *(DE)* Mr President, I must protest in every way possible against the way you have applied the Rules of Procedure. Under the Rules of Procedure a motion to refer back to committee requires one speaker for and one against since there are arguments for and against it which deeply concern Parliament. You suggested that someone could table this motion, and after it was tabled, although the majority of the committee were against tabling it, you immediately proceeded to put it to the vote. Mr Arndt clearly raised his hand to indicate that he wished to speak. You cut him off. In this way you one-sidedly influenced the voting. I regard this as bad procedure and ask you to correct it.

President. — Mr von der Vring, it was by no means apparent, when we were voting, that Mr Arndt wished to speak either for or against.

I call Mr Kellett-Bowman.

Mr Edward Kellett-Bowman. — Mr President, the Parliament has gone through the tiresome task of remodelling its Rules. They were approved by Parliament and they were very much leaning on the isoglucose case. The problem is that Members have not learnt of the constitutional advance which was achieved thereby, and you very properly reminded the House of it this morning. I think it would be helpful if you and the Bureau could circulate Members with a paper which details our constitutional position arising out of the new Rules.

President. — I call Mr Rogers.

Mr Rogers. — Mr President, I think you can have as many rules as you like but one thing that people have got to learn is good manners.

(Cries of 'Put a tie on!')

If I put a tie on I may land up as much strangled in my views as you are.

(Laughter from the European Democratic Group)

Mr President, what I find appalling is that people with loud voices can get up in the middle of a period when you have declared a vote. It has never been the practice of this Parliament or any body that I have belonged to to allow people to speak between your calling the vote and declaring the result of the vote. There is actually a vote in the box waiting to be declared — and people are speaking ! If this procedure is to be followed every time and a dangerous precedent is to be set like this, then we really shall be in great difficulties. When the President has called a vote, I think that what everyone must do is to sit down, shut up and let him get on with his job.

(Applause — Parliament adopted the proposal to refer the report to committee)

3. Seal pups

President. — The next item is the report (Doc. 1-831/82) by Mr Collins, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the proposal from the Commission to the Council (Doc. 1-829/82 — COM(82) 639 final) for a regulation on rules for a prohibition to import skins of certain seal pups and products derived therefrom into the Community.

I call the rapporteur.

Mr Collins, rapporteur. — Mr President, I must say that this morning I feel rather like the owner of a picture gallery; an exhibitor of a work that has in fact been fashioned by other people. I have had only a very little part in fashioning this report myself because I have had the honour to be the chairman of the Committee on the Environment, Public Health and Consumer Protection during the time that others prepared the ground for the proposed regulation that is now before us.

For many years, going back indeed to about 1974, Members of the European Parliament have asked

questions, tabled resolutions, lobbied and argued that the shameful, cruel commercial slaughter of seal pups, not for the good of the species and not for the sake of the fish, but simply for their valuable skins, should be ended and that the European Community should be one of those organizations playing a leading role in this particular struggle.

(Noise)

Now, admittedly, Mr President, it is singularly difficult to make this speech when everybody else seems to be discussing something else and perhaps it is that there are four or five meetings going on here this morning instead of just one.

President. — Order in the House, please! Mr Collins, you have the floor.

Mr Collins, rapporteur. — Yes, even some very eminent Members of this Parliament, Mr President, fail to recognize that private debates should take place outside the Chamber. I can see several front-benchers, a former president of the Parliament, a deputy leader of a political group, a whip, and several other people all having separate little debates in this Chamber at the moment. And I am sure that the seal pups would be very impressed at the concern being shown.

But at any rate the European Community has been playing a leading role in the struggle to end the slaughter of the pups. And my own particular double good fortune is to have been part of this just at the time when the European Parliament put irresistible pressure on both the Council and the Commission so that the regulation would be produced. So I am able to present this report.

In presenting it I want to pay tribute to Mrs Maij-Weggen and to Mr Johnson for their crucial work in the area, producing the resolutions and the other major reports a few months ago. I also wish to thank the other committee members who have worked very hard indeed to produce this final report so quickly.

The starting point for the report is, of course, the horror expressed by world opinion at the methods employed to kill the seal pups. The method is brutal, callous, it achieves very little, it is not the best way to conserve fish stocks and it is not the best way to control the seal populations. There is, of course, an argument about whether these species of seal are threatened or not. I must say that in this particular regard the committee had contact with the Nature Conservancy Council and the Committee was very impressed by the report produced by the Nature Conservancy Council. Of course, that report specifically deals with the question of whether or not these seals are indeed threatened.

Collins

By and large the regulation which we have before us does not conform entirely to the wishes of Parliament as expressed in March of this year. We would want, however, to award it a very reasonable beta plus for effort and intent. There are, however, one or two points I think that have to be strengthened.

There is a difficulty in the translation, when we are dealing with what is described in the English version as 'white coats'. I understand that there is a certain lack of clarity here and that some other languages simply refer to pups or to baby seals etc. . . I want to make it clear that my own amendment seeks to delete the word 'white coat' simply because it seems to me to introduce an unnecessary distinction and one which would certainly restrict the operation of this particular regulation. We want to be sure that all young pups are protected and not simply pups which are a few weeks old. So we recommend the deletion of the term 'white coat'.

Of course, we also recognize the problems of trade, not just in whole seal skins but also in pieces of skin, of skin in the form of ornaments or jewellery. Again we have tried to set this to rights in the amendment that we have suggested.

One further thing, because I think most of the talking has already been done on the question of seals and it is not necessary for me to make a very long or a very detailed speech. But one thing that I want to make clear, if I may paraphrase, is that we do recognize in the committee that no seal is an island and that they live in a world of trade and a world of fisheries. We believe that we have already given a great deal of thought to this. We have come to the conclusion that the European Community has got to give a very important lead. We are very happy to have been able to give that lead, we are very happy that the Commission has followed it, and we now look forward to seeing the Council, on 3 December, taking the historic and moral step towards putting an end to the barbarous and needless killing of these very beautiful animals.

President. — I call the Committee on Agriculture.

Mr Provan, draftsman of an opinion. — Mr President, I have the very simple task this morning to deliver two views from the committee.

The first one is really a procedural one, a constitutional one, Mr President, because in this instance we feel that the two parliamentary committees which should have been asked originally for their opinion were denied that right because of the way in which it was dealt with by Parliament's services. As a result the Committee on Agriculture and the Fisheries Working Group of that committee were not able to examine this proposal from the Commission in detail. Hopefully,

Mr President, in future you will make certain that any proposals from the Commission will be directed certainly to the committee responsible, but also for opinions to all the parliamentary committees that might have interests in the matter. That is not the way it happened this time until a request was made by the chairmen of the two committees concerned.

My other duty is to alert Parliament to some possible consequences of these Commission proposals being sustained in the Council. We are at the present time trying to achieve a common fisheries policy in the European Community. Now if there is any retaliation by the Canadians, by reason of their no longer being able to maintain their agreement with the Community on fisheries, then that could have serious consequences.

The point is that at the present time we have an allocation of fish in Canadian waters that is equivalent to 15 000 tonnes of cod. There are German fishermen in those waters who are able to catch this fish. If that agreement falls, we will no longer have that capability in Canadian waters and those fishermen would require to find an equivalent amount of fish in the North Sea. It is difficult enough at the present time to reach agreement, Mr President, and hopefully this situation will not arise, but Parliament must be aware of the possible consequences in this area.

There would also be consequences as far as Norwegian waters are concerned. But having made Parliament aware of the position, my duty is done and I pass the matter back to the House.

President. — I call the Committee on External Economic Relations.

Sir Fred Catherwood, draftsman of an opinion. — Mr President, the Committee on External Economic Relations met on Tuesday and asked me to deliver orally its opinion on this report.

We respect the view of the vast majority in Parliament that the overriding consideration has to be the humanitarian one and that the trading interests of the Community have to be subservient to this. It is not and cannot be our view that any commodity can be freely traded regardless of moral or humanitarian imperatives.

If we wish the trading interests to be noted in passing, it is only to say that when we take decisions like this, there are interests within the Community, as my colleague, Mr Provan, has said, as well as outside it which have nothing to do with the trade in sealskins but may nevertheless be affected. They should at least know that we in this House recognize that there are those in the Community whose livelihood does not depend on the trade but may nevertheless be at some risk.

Fred Catherwood

The Canadian case, as we all know, is that the seals eat fish which would otherwise be caught by all who fish in those waters. Canada, however, is one of our major trading partners. The trade in sealskins is tiny. Not only the Community but the United States objects to the trade. So we expect our Canadian partners to recognize the right of a trading partner of theirs to limit a trade which it finds objectionable. We therefore do not expect the Canadians to try to maintain their fish stocks by any limitation on Community fishing and we would object most strongly, of course, if they did so. However, we also have to recognize that our confidence in this may not prevent anxiety in the German fishing ports like Hamburg and Bremen which depend on these waters.

So, Mr President, we support the report. We do not think that any counteraction on the part of the Canadians would be reasonable, especially since other major trading partners of the Canadians have taken the same view as ours. Nevertheless we should recognize some risk, however remote and unjustified, to at least one group in the Community.

President. — I call the Socialist Group.

Mr Muntingh. — (NL) Mr President, on behalf of the Socialist Group I would begin by saying that our Group is very grateful to the Commission for the fact that, albeit under heavy pressure from Parliament, applied in this case by Mr Johnson, of which again we are extremely appreciative, it has submitted this regulation.

A regulation which has finally come into being because public opinion in Europe has demonstrated its opinion that the way in which seals in Canada are killed is not to be tolerated. Now a number of amendments to this regulation have been tabled which are almost all concerned — and this is borne out by the previous speakers — with drawing attention to the fisheries aspect. In our opinion there is something wrong here. This regulation was produced because we feel on moral and ethical grounds, and out of concern for the environment, that imports should no longer take place.

In Canada, however, other arguments, trade arguments, are used. These are two different things. I must say that I find this worrying because if Canada says that we are concerned here with a matter of trade and is thus suggesting that we are beginning to apply economic sanctions up to a certain level, this could be the start of an infernal spiral of unending sanctions. This supposition is false, there are two matters we have to deal with here and they have nothing to do with one another. We are arguing here in Europe on ethical and moral grounds and, insofar as the hooded seal is concerned, on environmental protection grounds, but not on trade-argument grounds. And

Canada must realize this. I actually believe that Canada does realize this fact. I do not believe that the fear of Sir Fred Catherwood and Mr Provan that fishermen in Hamburg will be thrown out of work is justified nor that the Canadians will allow things to go so far. In my opinion this is no more than an attempt by the Canadians to put pressure on the Community in order to get its own way. Moreover, I fail to understand what all the fuss is about, for it is well known that it is mainly the Norwegians who slaughter the whitecoats and bluebacks and the Canadians only accounted for 20% of these and last year, I believe, for 30%. Thus it is more detrimental to Norway than to the Canadian economy.

In a word, Mr President, I think that the Commission has done well to submit this proposal and I feel that the Commission must make it clear that in the first instance this is certainly not a matter of trade or economics.

Mr President, I should like to make a second observation. If we in Europe are to concern ourselves with affairs in Canada, making reproaches and advancing all manner of arguments for animal protection in Canada, we must do this on a solid basis, namely that we in Europe have a clear conscience. Well now, Mr President, this is not the case. The seal most under threat in the world, the monk seal, lives in the Mediterranean region yet here we are making an enormous fuss over seals in Canada. Here in Europe our own monk seal is going under, it is dying on our doorstep. I say this again with emphasis because this week it came to my attention that on the Greek island of Samos, where with great difficulty an area had been marked off in which three to five of these seals had found refuge, a final refuge, in violation of the decree issued by the central government in Greece a tourist development had been started, apartments built, houses demolished, roads constructed, and as a result the habitat of this animal has been completely destroyed. I have even been told that the situation is so bad now in Greece — I do not know if this is true — the animal is being shot at. There are people who have witnessed how a few months ago men with boats and guns went into the caves where the last remaining seals are living and hunted these animals. Well now, Mr President, if this is the case, if we are unable to protect our own monk seal, of which there are at most 500 individuals worldwide, then it is really rather hypocritical that we should be concerning ourselves with 750 000 to 2 million animals in Canada.

So, Mr President, I am pleased with this regulation. Our Group will support it, but at the same time we wish to make it very clear that we must do something very quickly to protect our own seal in the Mediterranean, the monk seal.

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

Mrs Maij-Weggen. — (NL) Mr President, ladies and gentlemen, this report is as it were the crowning achievement of the work of the Committee on the Environment, Public Health and Consumer Protection in favour of seals. Almost two years ago work was started by Mr Johnson, who presented a first resolution on the question. One year ago the Committee on the Environment, Public Health and Consumer Protection brought out a report in my name on the situation regarding seals with a large number of recommendations and now this parliamentary work can be concluded with a positive opinion from Mr Collins in respect of the present regulation. I also think it is worthwhile pointing out that well nigh all the groups are concerned with this matter.

My group is fully behind this regulation and we congratulate Mr Narjes on the positive step he has taken. But this does not mean to say that we have no criticisms to make of the proposal. The Commission knows that in the March resolution there was much more than what is now contained in the regulation. I am thinking here, for instance, of the wish to see all varieties of seal included in the agreement on international trade in species of animals and plants threatened with extinction. I am thinking too of the special protection requested for the traditional hunting by the Inuits in Labrador and in Greenland. I am thinking, and here I agree with Mr Muntingh, of the requirement to launch a special European action in favour of the monk seal — at this point I would point out that only a small proportion of monk seals are to be found in the European portion of the Mediterranean and that the greater number are found in the North African part of the Mediterranean. The question remains whether we can have any influence on the latter.

These three requirements, which are just as important for the seals as the proposed import ban, have not yet been met and we have therefore tabled amendments to keep the Commission in mind of them and once again to forcefully ask the Commission to comply with these three important requirements.

A second critical remark concerns the text of the regulation. In the proposed texts the Commission has used the term *white coat* and stated that imports of products of *white coats* must be banned by 1 March 1983. But the term *white coat* is extremely confusing since it is actually a popular name for a white-haired young saddle-seal. It is confusing because it does not mean exactly the same thing in all languages. In German it means a *jungtier* i.e. an animal several months old. In French it means a *bébé-phoque*, and this is an animal only a few weeks old. In Dutch it refers to newly born animals, and these are only a few days old. Mr President, I think that the Commission ought to recognize this and the Committee on the Environment, Public Health and Consumer Protection was right to table amendments to make the situation clearer. My group does not consider it necessary to remove altogether the term *white coat* from the regulation but we feel

that in the Annex it should be very clearly stated what exactly is meant in all languages by the term *white coat* and we will therefore adopt Amendments Nos 7 and 8 by Mr Collins to this effect.

Finally, Mr President, it is a pity that after 20 years of protest Canada has not put an end to this barbarous hunting on its own initiative. I must say I am amazed that Canada is now making such a fuss and applying so much intimidation that it is threatening to suspend fishery agreements with the Community. Earlier, and Sir Fred Catherwood rightly pointed this out, there were import bans by the United States, the Netherlands, Italy and Sweden, and in all these cases there were threats of reprisals but they were never carried out. It would therefore now be hypocritical to threaten the European Community with such action. Mr President, I think that the Community can be proud of this step, I think that we can count on being supported by millions of European citizens and I trust therefore that this Parliament will give great support to this regulation and thus back up the support of the millions of European citizens.

President. — I call the European Democratic Group.

Mr Johnson. — I would like to add my voice, Mr President, to those who have thanked the Commission, and in particular Mr Narjes, for coming forward with the draft regulation that Parliament requested when we voted in March this year.

There are a number of amendments down. I want to talk about one or two of them. I am concerned that the Commission has not stressed as it might have done the conservation basis for this regulation. When Parliament voted in March, the Commission took note of that vote and said it would consult its expert adviser, the Nature Conservancy Council. Mr Collins has referred to the Nature Conservancy Council, and I would like, because it is a matter of importance, to say very briefly what the conclusions of the Nature Conservancy Council were. I would like them to actually feature in the record, because it has been put about that these conclusions are not clear and not specific for some reason or other. The NCC conclusions and recommendations were, in fact, very clear and very specific.

The first conclusion was that the populations of the two species, harp and hooded seals, have declined substantially over a long period. In the case of the harp seal the population has fallen to less than half its unexploited size, i.e. to considerably below its maximum sustainable yield level (MSY). The position of the hooded seal is in every respect more serious. The second conclusion was that the available information about the current status of the population is insufficient to say that they are capable of sustaining the current rate of exploitation. The third was that there was

Johnson

a risk that the populations would be endangered by a continuation of the present rates of exploitation. Fourthly, in the light of the present uncertainty about the current status and future prospects of these populations, the NCC advises the European Commission to take all action within its competence to reduce the level of exploitation of these species and to ensure the future security of these populations. I quote: 'A particularly relevant measure would be to impose a ban on trade in hooded seal products until scientific evidence shows the ban to be no longer necessary.' I read that out because I think it important that we don't ignore the conservation argument, though of course the Commission has also acted, and wisely, on the moral and ethical considerations.

Let me say a word about those, because they do relate to the regulation. Mrs Maij-Weggen and Mr Collins have both pointed out that we cannot be satisfied with the precise proposal of the Commission, though of course we do approve the board thrust of it. If you are arguing, as the Commission also argues, on moral grounds, it doesn't make sense to say that we cover all hooded seal pups, that is to say, pups up to one year but that as far as the harp seal pups are concerned, we are only going to cover whitecoats, i.e. pups of a few days old. You can't make a distinction, if you are arguing on moral grounds, between the two species. The committee has recommended that the regulation apply to all pups, both harp seals and hooded seals.

We also believe, as Mrs Maij-Weggen said that it is important to have a definition of 'white coat'. It would be quite cynical if, in the interests of keeping people happy or minimizing the impact on the Canadians or whatever, the Commission were to promote in its discussions with the Council a very limited interpretation of the word 'white coat', because there are some trade interpretations which limit 'white coat' to animals nine days old. Are we really to say, Well, just wait until they are nine days old and then you can harvest them — to use that rather sinister word? There is a definition down in the name of the committee for 'white coat', and I beg the Commission, whatever happens, to make sure there is a useful definition when it discusses this with the Council.

As far as I am concerned, of course, the moral argument is not just to do with the method or even the time of killing. It is to do with exploiting this spectacular wildlife resource — vast numbers of it — for blatantly trivial purposes, purposes which we all know and which I need not go into now. They are to do with *après-ski* boots, bath-stools, etc. I have a list from the trade committee of all the things which these skins are made into, and none of them can in any way be regarded as essential for the well-being of mankind. So the moral argument is much wider than merely the humanity of the killing method: it is to do with the way we look at the world and the way we exploit it.

Mr President, I want to pay tribute to the chairman of the Committee on External Economic Relations in

particular for his clear statement that there have to be times when the interests of trade must be subservient to the interests of morality and conservation. That is something we have to recognize, and of course it does not just apply to seals. There will be other issues where this Community will also need to take a stand and even give a lead.

I close my remarks by thanking everybody for their continued support, and I am really sorry that this has gone on so long. I hope this will be the last word for a while which the Parliament speaks about seals. I certainly hope it will be the last word I speak about seals.

(Cries of 'Hear, hear!')

IN THE CHAIR: MR PFLIMLIN

Vice-President

President. — I call Mr von der Vring.

Mr von der Vring. — (DE) Perhaps it will sound outrageous to say something critical in this debate, but the fishermen of Bremerhaven and Cuxhaven have asked me to say certain things and to put certain questions.

These fishermen, without a doubt, support the European Parliament's goal of putting a stop to this horrifying method of killing young seals. There is no question about that. Nonetheless, they do not wish to be made suffer for the sake of interests which do not concern them. They are asking why it is that every time there is a conflict, the German deep sea fishermen have to pay the bill. Every time a conflict arises in fishing, others get off scot-free while German ships are grounded, German fishermen are threatened by the police and are made unemployed. They are slowly coming to believe that this is part of a systematic Community policy and they are gradually coming to feel that they have enough.

It has already happened during two phases of the Canada Agreement that boats were laid up, a deal made here and a veto imposed there. It happened again in summer when the Danish authorities were unwilling to comply with Community law and threatened to arrest our fishermen. Now Canada, in violation of the agreement, is threatening to withhold licences until 1. 1. 1983 if a decision has to be taken here. Therefore, we ask the Community what they intend to do in this case.

I have been asked to put six precise questions to the Commission and to ask them for an answer.

von der Vring

What is the Commission's answer to the Canadian contention that the planned ban on import contravenes the rules of GATT? What sanctions will the European fishermen in Canadian waters have to expect after the Commission has held talks with the Canadian authorities? What has the Commission done to prevent such sanctions?

What protection and what help will the Community give to European fishermen in Canadian waters if they are prevented in any way from catching fish even if it simply takes the form of refusing to issue certain papers?

Will the Commission give these fishermen compensatory quotas in Community waters?

What advice does the Commission give to my German fishermen on the concerns that are expressed here? I would like to take some items of advice back home with me. The community which owns these ships have already suffered several serious losses because they have been waiting for the Community decisions for three months and more. These communities have decided not to do this again but if there is any doubt about the issue of licences in Canada until 1 January 1983 they should tie up their ships in the harbour. In this context there is no more short time work and crews have to be laid off.

What my friend Mr Muntingh so shyly and hesitatingly said was, I feel, extremely naive. Even the reference to morality is sometimes a little questionable on one side. We have received mountains of statements from the people of Europe about this action. But when it comes to employment in Europe, the Community keeps silent and Europe doesn't want to know. Moreover in another case, Mr Muntingh, namely when President Reagan introduced the pipe embargo economic considerations were not invoked. In my view what he did was a moral act. In any event one can have different views on morals!

(Applause)

President. — I call Mr Moreland.

Mr Moreland. — Mr President, I shall be voting against the regulation and the resolution, because I regard the whole issue as hypocritical. But I will leave that argument to my explanation of vote: I want to use this opportunity just to put one or two points to the Commission.

I have to say — and some Members may be rather appalled when I say this — that I, frankly, agree with most of what has been said so far, except for one point made by Mr Johnson. I welcome the Commission's proposal in that it relates the ban solely to the moral issue and not to that of conservation, which I think the

Commission always knew was rather dangerous ground. Here, I must say, I disagree with Mr Johnson. He quotes some lines from a report from the Nature Conservancy Council — a report he knows all about because he was at the meeting where it was finalized. He does not, however, quote the report that has come out this week commissioned by the Canadian Government jointly with the Commission — the ICES report — which actually shows quite considerable growth in the population of the harp seal. It is therefore extremely important that we put the conservation issue on one side here, and I think the Commission has to tell us now what its reaction is to this report, particularly in the other part of the proposals relating to what we will or will not put forward on the Washington Convention.

I go back to what Mrs Maij-Weggen said. I thought she made an important point when she stressed that the Commission has not followed all of what was in her report. She, for example, had there a clause relating to exemptions for the native and indigenous populations — in other words, the Eskimos and the Indians. In this regulation, we have no such exemption, but we do in effect have an exemption for Greenland. Are we to follow the example of the United States, which banned the import of young mammals — it is often quoted, incidentally, as 'young seals' but they actually banned all young mammals — but quite happily go on, if I may say so, bonking seals within and off the shores of the United States. Are we to have that sort of hypocrisy?

Finally, I would touch on what I thought was a very important question raised by Mr Muntingh and others — the whole question of what is going on as regards the Mediterranean monk seal, which is certainly an endangered species. The Commission has indeed promised action, but I wonder what is happening. We have a constituent living in Birmingham who is responsible for a project in Samos and who has been thrown out of Greece because of a lot of resistance by the Greeks on Samos to doing anything about the Mediterranean monk seal. So are we going to be hypocritical again? Are we going to treat third countries differently from the way we treat animals within our own Community?

Having said that, I do appreciate the strong feeling behind this whole issue. I personally have always had a revulsion for the issue, but my primary objection is that there are many domestic issues also which we ought to be tackling as well as tackling this. If the Commission dodges the other issues and simply goes on bashing Canadians or Norwegians, then I think it will make us look hypocritical to the Canadians and Norwegians; and to some extent they may be justified in retaliating, particularly if they point to our hypocrisy.

(Applause)

President. — I call the Liberal and Democratic Group.

Mrs Scrivener. — (FR) Mr President, ladies and gentlemen, on behalf of the Liberal Group I should like to associate myself with the congratulations addressed to the Commission by my colleagues on the action taken on the resolution of our Parliament on imports of products derived from seals.

This proposal is timely and reasonable. Timely, as I myself pointed out during the debate last March, for reasons I shall not go into again here, both ecological and humane. Reasonable, since this proposal is concerned with those baby seals whose species are the most under threat and will later permit a uniform application of the rules of free movement and the adoption of a common attitude towards third countries.

I believe that the Commission has made a great effort. We will back its proposal.

President. — I call Sir John Stewart-Clark.

Sir John Stewart-Clark. — Mr President, I hope I can speak as a friend of Canada and as someone who is sympathetic to the Canadian case when it is argued, firstly, that there is a need for the continued cull of seals and that a ban would effect the living of sealers. But humanitarian views against the cull are also very strong. There is widespread revulsion in Europe, particularly about the method of the kill. The vote of this Parliament is absolutely clear. We have asked the Canadians to stop the use of the club and to make use of a gun, to make sure that sealing takes place only from offshore and never from onshore and to ensure that there is an increased objective control of the hunt.

I therefore ask that the Canadians take immediate and specific measures to improve the method and control of the kill, to recognize the vote of this Parliament and not to resort to retaliatory measures against our fishermen. The Commission is asked to have further and urgent consultations with the Canadians in order to reach a sensible and acceptable solution. If no such solution is possible, then a ban on imports will follow. The Canadians will have brought it upon themselves. It will damage relations between this Community and the Canadians. That is damage to a good friend, and I urge that this should not take place.

May the Canadians take heed and may the Commission take immediate action!

President. — I call the Commission.

Mr Giolitti, Member of the Commission. — (IT) Mr President, the parliamentary committee has moved

with such speed that the Commission, on whose behalf I speak, has been very impressed and would like to voice its appreciation. This should enable the Council to take a decision on the measures proposed within the very near future, and certainly before the beginning of the next hunting season.

The tremendous impact that the problem of the seal pups has had on public opinion and the influence that this entire matter has had upon the Community's external relations make it essential that an unequivocal position be taken up with regard to the amendments to the Commission proposal that have been submitted to the Council for its consideration. First of all, Mr President, I must remind the House of the difficult position in which the Commission has been placed by the pressure of conflicting interests. From March onwards the Commission has reported virtually every month to this House on the delicate and difficult negotiations being conducted by the Commission with the governments of Canada and Norway. On more than one occasion the Commission has warned that any unilateral measures that might be taken could have unfavourable repercussions on our relations with these two countries.

Having exhausted all the avenues of negotiation open to it with the countries concerned, without achieving the hoped for success, the Commission has decided, before the opening of the 1983 hunting season and in line with the provisions of international agreements, to propose a ban on the imports of the skins and by-products of the white coat and blueback seals. From the information we were given at the March meeting and from all the letters we have received from private citizens and organizations for animal protection, it would appear that the annual seal pup hunt and the methods employed therein are viewed by the general public with disgust and disapproval.

The Commission considers that it has lent as willing an ear as possible to the wishes expressed by this Parliament. Nevertheless, neither Commission nor Parliament would be anxious to see an extension of the ban on imports causing unnecessary difficulties for the third countries concerned. For a variety of reasons the proposals designed to extend the ban on imports to the skins of all seal pups are, in the Commission's view, ill-advised and inadmissible.

In the first place — and this is something that not everyone is aware of — adult seals can no longer be killed with clubs, i.e. by the method which has aroused such general disgust and given rise to the proposed measures. In the second place the extension of the ban to the skins of adult seals could pose insurmountable technical problems that would make the ban impossible to enforce, since it is not possible to distinguish these skins and by-products from those of other seals.

On the other hand, for the same reasons of applicability the Commission has extended the derogation to

Giolitti

hooded seal pups up to one year of age, since their skins, unlike those of Greenland seal pups, can no longer be distinguished within this period, thus making it impossible to keep a check on implementation. The one certain fact is that the hooded seal may be regarded as an endangered species, so that a reduction in the permitted quota may be justified, and even made desirable, from the point of view of the protection of the species. As was pointed out in this House on 11 October last, the Commission has been at pains to work out a proposal that will be as evenly balanced as possible. The proposed extension would have seriously shaken this delicate balance and would undoubtedly have had unfavourable consequences for friendly relations with the third countries concerned, as well as making it extremely unlikely that it would be adopted by the Council. The Commission therefore invites the Members of this Parliament to adopt the Commission text without the amendments that have been tabled to it.

With regard to paragraph 2 of the motion for a resolution, I would like to inform the House that negotiations with the Member States on possible proposals to the Washington Convention for the protection of endangered species, which are being pursued within the committee responsible in the Council, have not yet been concluded and that the Commission will bend all its energies to push through the measures already referred to for the protection of the Mediterranean monk seals.

Finally, I should like to make two points with regard to specific questions that have been raised. The first is on Article 20 of GATT — the Commission feels that this article does enable the proposed measure to be put into effect. With regard to consultations with Canada, these have not yet been concluded, and the Commission will leave no stone unturned to prevent the Canadian measures that have been referred to by some Members, and particularly any link between these measures and the fisheries agreement.

These then, Mr President, are the views and the explanations that the Commission wishes to put before Parliament at the end of this debate.

President. — I call Mrs Lentz-Cornette.

Mrs Lentz-Cornette. — (*DE*) I wish to move that the English text be regarded as the definitive one and that all other translations be brought into line with the original English text.

President. — Very well, Mrs Lentz-Cornette.

The debate is closed.

*Vote*¹

Proposal for a regulation

Article 1 — Amendments Nos 24, 10, 8, 7, 4

Mr Johnson. — Mr President, you said that Amendment No 8 had fallen as a result of the adoption of an earlier amendment. That is not strictly correct because in any event we want a definition of white coat to appear among the definitions. Because of the way the regulation will be operated you will need a definition of white coat. It is all the more important in the light of the statement we have just heard from the Commission to the effect that they will not accept the extension of the regulation to all pups. So it is even more important that we insist on the definition of white coat. I therefore beg you to put Amendment No 8 to the vote.

Proposal for a resolution — After the fifth indent

Mr Provan. — Mr President, may I withdraw my two Amendments, Nos 12 and 13, please, because I do not think there has been adequate consultation with those committees.

Mr Johnson. — I would like to maintain them, Mr President.

President. — I call the rapporteur.

Mr Collins, rapporteur. — As rapporteur, Mr President, I do think we have to have them in. There was consultation over many many months in fact before we arrived at this so it is perfectly reasonable to include them.

Mr Moreland. — Don't tell lies!

(*Mixed reactions*)

President. — I call Mr Provan.

Mr Provan. — Mr President, I listened to what Mr Collins said, but we have not had the opportunity to go in depth into any figures to make certain about tonnages of fish or the number of seals or anything like that . . .

President. — Mr Provan, the position is clear.

¹ See Annex.

Mr Provan. — ... as long as it is understood by Parliament, Mr President, that there has not been adequate consultation and a proper written draft opinion.

Mr Collins, rapporteur. — Mr President, I want to register a protest. There is a gentleman over there, I think it is Mr Moreland — it certainly sounded very like his voice — he has a distinctive voice — a whining kind of voice — and he says ...

President. — Please, Mr Collins, let us not start the whole debate all over again.

Mr Collins, rapporteur. — ... my point of order, Mr President, is that it is quite outrageous for any Member to use the word 'lie' to describe any statement by any other Member of this House. It is quite outrageous.

(Mixed reactions)

President. — I call Mrs Maij-Weggen to speak on a point of order.

Mrs Maij-Weggen. — *(NL)* Mr President, I should like some guidance because there have been statements on behalf of the Committee on External Economic Relations and on behalf of the subcommittee on fisheries. Why then are these amendments not valid?

President. — Mrs Maij-Weggen, that is not a point of order.

After explanations of vote

Mrs Maij-Weggen. — *(NL)* Mr President, I would only say that the request for a roll-call vote was made in my own name and not on behalf of the group. I should like this to be stated in the minutes.

President. — Your statement will be included in the minutes.

I call Mr Forth.

Mr Forth. — Mr President, this is a serious matter. If you recall, when you announced originally that there had been a request for a roll-call vote — I think that Mr Enright asked for one — we did ask you specifically on whose behalf and in whose name it was being requested. You told us that it was on behalf of the European People's Party, and we accepted your statement on that, I think it is a very grave matter if Mrs Maij-Weggen now tells us that it was only in her name. That, I would suggest, renders invalid the

request for a roll-call vote, because we were given inaccurate information. This is something you should satisfy yourself about at the very least, Mr President.

President. — Mr Forth, your remark is very much to the point. However, I would only say to you that I am obliged to depend on the information I am given. I was told — in both cases, in fact — that a request for a roll-call vote had been made on behalf of the Group of the European People's Party. Perhaps there was a mistake. Nevertheless, in the circumstances I could not do anything else but go ahead with a roll-call vote. There can be no question of cancelling a vote which was, after all, carried out in due form, even if the request was not made in accordance with the Rules.

Mr Forth. — Mr President, I accept that reluctantly. I am, however, asking if you or the sessional services could investigate this matter, satisfy yourselves as to how it has happened and do your best to ensure that it will not happen again, because it makes the House very vulnerable to invalid requests for roll-call votes.

President. — Mr Forth, I would be perfectly happy to have this matter checked. You will understand, however, that in carrying out such complex procedures mistakes will happen from time to time. Indeed, I feel we should pay tribute to Mrs Maij-Weggen who was honest enough to make that correction.

I call Mrs Kellett-Bowman.

Mrs Elaine Kellett-Bowman. — Mr President, may I differ with you on that? Mrs Maij-Weggen has sat throughout these proceedings. She heard you say that a vote had been asked for on behalf of the European People's Party. That was the point at which she should have corrected you. Her conscience has clearly struck her now, but it didn't strike her at the appropriate moment. I think it is reprehensible that having sat here she should have allowed us to vote under the impression that the request for a roll-call vote was a European People's Party request, when it was in fact no such thing.

4. *Barcelona Convention of 1976 (Pollution)*

President. — The next item is the report by Mr Bombard, on behalf of the Committee on the Environment, Public Health and Consumer Protection on

the proposal from the Commission to the Council (Doc. 1-937/81) — COM(81) 780 final), for a decision concluding the Protocol to the Barcelona Convention of 1976 for the protection of the Mediterranean Sea against pollution from land-based sources.

President

I call the rapporteur.

Mr Bombard, rapporteur. — (FR) Mr President, ladies and gentlemen, I should like to begin by saying how happy I am to be speaking today against pollution and in particular against pollution of the Mediterranean against which I have been struggling for 30 years and which has only been taken seriously by international authorities over the last ten years. I recall a French Minister, in fact Mr Poniatowski, stating five years ago that pollution was a sign of prosperity. Today, I am happy to say, international authorities are concerned at the problem.

The protection of the Mediterranean against land-based pollution — that is to say, heavy pollution which falls to the seabed and which at best impedes the seabed laboratory from doing its work, thereby faulting the biological processes and interrupting the food chain, and at worst enters the food chain and poisons living organisms — is a task that is at once imperative and urgent.

Everyone knows that when a higher species consumes a species immediately below it the amount of toxic products is multiplied tenfold and this ultimately has repercussions on man.

Although international bodies have only recently recognized the problem it has changed dramatically since the 18th century. Since this time man has created cumulative and irreversible pollution. There is no longer any question of the great cycle in which, according to Lavoisier, 'nothing is created, nothing lost, everything is transformed'. Transformation, the last term of the proposition and the most important, has been lost. For this reason those countries which recognize that pollution is becoming more and more obvious and more dangerous met in Barcelona. The Mediterranean is in fact a test-tube sea; it is semi-closed, it is a highly sensitive zone and it is a European sea *par excellence*. From a military point of view, as Clausewitz said: 'Whoever holds the Mediterranean holds Europe'. If the Mediterranean dies, Mr President, the life of all the oceans will be threatened. If we succeed in freeing the Mediterranean of pollution we will learn the techniques which, in the future, will enable us to save all the oceans of the world. The oceans are life. They provide food and preserve the oxygen in the atmosphere.

The Barcelona Convention which is now before you was ratified by those States which took part in the meetings in Barcelona, Athens, Geneva and New York. All ratified it with the exception of Albania. The Commission itself ratified it. Parliament is now being called on to ratify it in its turn. It is an opportunity which we should not let pass since it enables us to affirm the determination of the directly-elected Parliament to defend man by defending the sea, an environment without frontiers.

For this reason I ask you, Mr President, and the House to adopt the resolution which will directly associate this Parliament in an act which I would describe as revolutionary: saving that sea which has seen the birth of great civilisations which have formed this society to which we wish to give tangible reality, Europe and the people who live in it, who work in it and where people find a centre of recreation which modern life has made indispensable.

Parliament should participate in trying to protect it. By voting for this resolution it is important for your future and that of your children, you will be preserving the future of everyone.

(Applause)

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

Mr Ghergo. — (IT) Mr President, ladies and gentlemen, in 1976 fifteen riparian states of the Mediterranean and the Community signed the Convention on the Protection of the Mediterranean against Pollution in Madrid on 16 February and 13 September respectively.

This Convention, known as the Barcelona Convention, contained additional protocols on the main sources of marine pollution. The first of these, concerning the dumping of waste from ships and aeroplanes, was signed at the same time as the Convention itself.

By virtue of the decision of 25 July 1977 the Council of Ministers ratified the Convention and the aforementioned protocols. In 1978 and 1979 negotiations took place on the conclusion of the protocol to the Convention concerning land-based pollution. These negotiations, in which the Commission took part, acting on a mandate from the Council, led to the drawing up of the protocol on land-based pollution which was signed on 17 May 1980 by eleven riparian states, including France, Italy and Greece, and by the Commission on behalf of the EEC.

The Commission decided to submit to the Council a proposal for a decision on the conclusion of this protocol, and this is, in fact, the proposal on which Mr Bombard has drawn up his report and which we are now considering.

In view of the wide-ranging significance of the decisions which the Council is called upon to take in this matter, the European Parliament cannot but approve of the Commission's proposal, in the light both of the immediate historical precedents and of the reasons set out so compellingly in the report on this proposal for a decision. I should like to express my deepest appreciation to Mr Bombard for his report. He has applied

Ghergo

himself to these problems of the sea with great ability and conviction.

The favourable opinion on the conclusion of the protocol in question is further backed up by the substantial amount of agreement between the environmental protection objectives set out in the protocol and those stated in the Council Directive No 76/464/EEC of 4 May 1976 on pollution caused by the dumping of certain harmful substances in the aquatic environment of the Community. Not only does the ultimate goal of the measures envisaged in both documents seem to be the same, namely, to reduce the risk of irreversible damage to the marine environment, but in addition the accession of the Community to the Barcelona Convention places an obligation on the Community to develop a comprehensive package of specific measures. These measures must be streamlined and coordinated with each other so as to achieve both a prevention of the causes of pollution and a decrease in the incidence of this phenomenon, which is linked with various causes of environmental disturbances (dumping in the sea of pollutant substances of various nature and origin which get into the marine environment in many different ways, the exploration and exploitation of natural resources present in the marine environment). All these factors are frequently closely linked one with the other.

I should also point out — and in this connection I feel that Parliament must impress upon the Council that there is need for a very careful consideration of this problem — that some of the provisions in the protocol, as they are at present formulated, leave open the possibility of checking on certain shortcomings in the protocol which may be eliminated or reduced by means of an adequate Community policy.

I should like to refer specifically to Article 7 in the protocol.

I need hardly remind the House that even though the Mediterranean, being to all intents and purposes a body of water that is entirely surrounded by land, obviously has special features that are not found in other marine environments, it does not present the very same conservation problems over its entire surface. Some areas of the Mediterranean have a particularly high risk level caused by the morphological features of the coastlines and coastal shelves, the differences in salinity, surface temperature and wind velocity and also the varying rates at which the waters in these areas empty and refill.

The Community institutions must bear these very real factors in mind if it is to put into effect a programme of measures within the framework of an overall strategy for marine environmental protection in the Mediterranean that will achieve the final objectives that are being aimed at in the light of the seriousness and urgency of the dangers involved.

The regulation does not specifically lay down, though this would have been preferable, that the measures should be carried out in accordance with the criteria I have mentioned, but in practice this can be done, inasmuch as on the basis of Article 7 the parties to the Convention have worked out progressive guidelines and common standards and criteria with regard to the practical measures to be taken. If the Community allows itself to be guided by these, it should be able to meet the priorities that have been outlined.

The ample margins of discretion accorded by the second and third subparagraphs of Article 7 to national governments, however they may be justified by legitimate political considerations, could in fact vitiate the efforts being made to contain and reduce land-based pollution levels that have been launched by various countries with coastlines on the Mediterranean.

Our concern in this matter all the more understandable when one bears in mind the difficulty of reconciling the demands of adequate development with those of a credible policy for sensible management of environmental resources. It would be very desirable therefore that the support traditionally given by the Community to national environmental policies relating to the physical environment should find expression in this specific case in a broad package of measures aimed at eliminating the underlying causes for possible divergences in the attitudes of the signatory states to the Barcelona Convention, so as to reduce to a minimum the difficulties that might arise from a possible 'permissive' interpretation of Article 7.

With these recommendations I reaffirm, on behalf of my group, that we are in favour of the Commission's proposals, since the protocol in land-based pollution is merely the logical extension of the programme of action launched five years ago with the Barcelona Convention and the reaffirmation of our political resolve to master the various phenomena that are capable of disrupting complex and delicate ecological balances. This political resolve is voiced in the various Community action programmes on environmental protection that have been launched in these last years and will be confirmed by those that are yet to come.

(Applause)

President. — I call the non-attached Members.

Mr Eisma. — *(NL)* Mr President, the Mediterranean Sea is not a typical European sea, as some Members, including the rapporteur, would have us believe; it is just as much an African and even an Asiatic sea. May I remind my colleagues that a tenth of Africa's drainage flows into the Mediterranean through the Nile. Naturally Europe is very concerned that the Mediterranean and its coasts should be clean. After all, hundreds of

Eisma

millions of people, mostly European tourists, spend their holidays there. The Mediterranean is also one of the world's most vulnerable seas as far as pollution is concerned. This is so because it takes 80 years before the water is fully changed. In the North Sea, for instance, this happens several times a year.

We are very pleased about the implementation of the Barcelona Convention, concluded by 17 coastal states, with the participation of the EEC. The first two protocols are also of great importance. As a consequence of the second protocol the Regional Oil Pollution Combating Centre (ROCC) was established in Malta. The tasks of this centre are limited and the responsibilities of the institute are narrow. This is because the coastal states lack the political will to give up even a few of their national powers to a collective body. It is desirable that the Community put pressure on its Barcelona Convention partners to extend the terms of reference of the ROCC so as to include centralized action against pollution, coordination of regional inspection activities, promotion of the security of the Mediterranean and policy development in respect of the implementation of the Barcelona Treaty. Is the Commission prepared to apply this pressure on the Member States?

And now, Mr President, we are confronted with the question of whether the Community should participate in the third protocol on land-based pollution. My answer, our answer, is: of course! My thanks to Mr Bombard for his succinct report with which I am in full agreement.

Finally, I note with satisfaction the adoption of the Commission proposal for the signature of the fourth protocol on specially protected areas of the Mediterranean. We admire the Commission's persistence in this matter.

President. — I call the Commission.

Mr Giolitti, Member of the Commission. — (IT) Mr President, since we are in full agreement with Parliament on this matter, the remarks that I shall make on behalf of the Commission will be very brief.

First of all I should like, on behalf of the Commission, to express our admiration and our gratitude to Mr Bombard for the zeal, persistence and enthusiasm with which he has devoted himself to this problem of the protection and purification of the Mediterranean. I extend my thanks also, of course, to all the Members of Parliament who have collaborated in this report on the conclusion of the Protocol on the protection of the Mediterranean from land-based pollution. I can assure the House that the Commission and its services will follow very closely the projects that have been undertaken to protect the Mediterranean, which is certainly one of the most important areas for Community environmental policy.

The conclusion of this protocol will undoubtedly mark a very important milestone on the road towards renewal of this sea, which is a priceless natural resource as well as being an enjoyable tourist area.

The purpose of the Athens Protocol is to take all the necessary measures to avert, reduce and combat the pollution of the Mediterranean caused by wastes emanating from tributaries, coastal establishments, drainage systems and any other landbased sources. I should like to assure Parliament that the Commission will be following very closely the activities of the Barcelona Convention and will do its share to see that worthwhile results are achieved as rapidly as possible. The Commission will not hesitate to take any measures that prove to be necessary, and I believe that in this we can count on the support of Parliament.

With regard to the point raised by Mr Ghergo in his speech, I can give an assurance that the Commission will be paying very special attention to the implementation of Article 7 of the Protocol. I should also like to give a further assurance that the Commission, as I think Parliament already knows, will take part, in cooperation with the Malta Centre, in the campaign against hydrocarbons.

President. — The debate is closed.

Vote¹

5. Noise emissions from subsonic aircrafts

President. — The next item is the report (Doc. 1-294/82) by Mrs Squarcialupi, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the proposal from the Commission to the Council (Doc. 1-632/81-COM(81)512 final) for a directive amending Council Directive 80/51/EEC of 20 December 1979 on the limitation of noise emissions from subsonic aircraft.

I call Mr Bonaccini, who is deputizing for the rapporteur.

Mr Bonaccini, deputy rapporteur. — (IT) Mr President, my remarks will be very brief. We are very happy with the proposal submitted by the Commission designed to combat one of the many sources of noise pollution, which is one of the factors most injurious to human health in our time.

¹ See Annex.

Bonaccini

The rapporteur would refer the House to the document itself, pointing out that no proposal for an amendment was submitted in committee.

President. — I call the Commission.

Mr Contogeorgis, Member of the Commission. — (GR) Mr President, first of all I would like to congratulate the rapporteur, Mrs Squarcialupi, and the Committee on the Environment, Public Health and Consumer Protection for this excellent report on such a complex and technical subject as the discomfiture caused by noise emissions from subsonic aircraft. The Commission shares the view of the Committee on the Environment that further limitations should be placed on this form of noise pollution. The present directive is based on Directive 80/51 of 20 December 1979. The draft resolution in Mrs Squarcialupi's report takes account of the measures most recently instituted at international level and which do not alter the basic provisions of Directive 80/51. Particular attention is being given to the amendments involving technical stipulations concerned with aircraft noise emissions which have been adopted by the International Civil Aviation Organization, and likewise to the most recent recommendations of this organization and of the European Civil Aviation Board. In accordance with Directive 80/51 it will be compulsory from 31 December 1986 for Member States to prohibit the use of their airports by aircraft not registered within the Community which in some way fail to comply with the required stipulations on noise emission.

President. — The debate is closed.

Vote¹

6. Discharges of cadmium into the aquatic environment

President. — The next item is the report (Doc. 1-821/82) by Mrs Weber, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the proposal from the Commission to the Council (Doc. 1-37/81-COM(81) 56 final) for a directive concerning the limit values for discharges of cadmium into the aquatic environment and quality objectives for cadmium in the aquatic environment,

and

on the motion for a resolution on the export to Sweden of products containing cadmium.

I call the rapporteur.

Mrs Weber, rapporteur. — (DE) Mr President, ladies and gentlemen, there is one brief preliminary remark that I should like to make. The Bureau of Parliament could perhaps give some thought to the question of whether the reports from the various committees ought not sometimes to be taken in a different order. By Friday noon enthusiasm is waning, as one can see without any difficulty if one looks around the Chamber. It should at least be possible to move a particular committee up by one place in the batting order between one part-session and another. After putting in so much hard work on their reports many rapporteurs would find it very enjoyable to be able to speak occasionally at some time other than on Friday morning or late on Thursday night.

Anyway, let us get down to cadmium. Protection of the aquatic environment is one of the most important tasks confronting the European Community in the area of environmental protection. This is already clear from the Community's environmental programme. The Community got to grips with this problem already in 1976 when it adopted an outline directive on protection of the aquatic environment. This directive listed the most harmful substances, which would subsequently be dealt with in separate directives. They included mercury, the directive on which was adopted by the Council in 1981, aldrin, dieldrin and endrin, which are at present before the Council for adoption, and the directive on cadmium that we are discussing here today.

They heavy metals given pride of place in this outline directive are particularly dangerous, mainly for the reason that normally they do not cause acute harm but are absorbed only very slowly into the body and in nature and thus lead to chronic toxicopathy. Since they are absorbed so slowly, they accumulate and come into the human organism through the normal food chain. They lodge in the kidneys and can lead to chronic impairment of kidney function. High-risk sectors of the population, such as elderly women, are particularly affected by them. It is true, of course, that these substances come into our bodies not only through water but also through food and especially through smoking.

It is our job therefore to cut down the intake of cadmium. It is estimated today, though estimates differ, that actual intake levels range between 50 and 80 percent of the maximum tolerable intake laid down by the World Health Organization. Research currently being carried out has as its first priority to analyze the present situation and to determine whether there is possibly some deterioration in this situation. On the basis of this research it is being urged that we should set up an integrated system of protection for nature and for human beings, i.e. over a period of five to ten years we must observe cadmium levels in air, soil and water and

¹ See Annex.

Weber

consequently in plants, animals and human beings, bio-indicators being used to amass the necessary information. Monitoring of the population for dangerous lead intake levels — the directive on lead has already been adopted — should be extended to cadmium and other heavy metals. The Commission has already given an assurance in reply to a question tabled by me that this is being done. Furthermore, it is intended to carry out epidemiological research and investigations.

The purpose of this directive is to cut down the circulation of cadmium, but it must be set in the framework of other directives that we have already adopted or have yet to adopt. In doing this we must take heed in particular that we do not simply shift the dangers from one medium to another. In cutting down on the danger of cadmium intake through water, for example, we could be increasing the danger of such intake through the air. Closely linked with this is the need to reduce water pollution and to draw up guidelines for the treatment of sewage sludge. There is a draft Commission proposal on this latter topic already on the table. However, we must also work out guidelines for dredged sludge, since particularly high levels of heavy metals are to be found in river sediments, especially when combined with low acid levels. You are all fully aware of the problem of 'acid rain'. Where you have these low acid levels, the heavy metals can get back into the water again.

The uniform measuring and analyzing techniques proposed in this directive are a particularly important factor in getting a clear picture of the existing situation in this matter. Cadmium levels in water can be cut down in various ways. One of these ways would be by means of technical improvement in manufacturing methods, for example, by improved galvanizing technology in the production of batteries or by storing the water lost in battery production. Another way would be through the re-cycling of cadmium, e.g. putting batteries containing cadmium back into circulation after re-cycling. There is still room for much improvement in all these matters.

Intake levels can also be cut down by imposing restrictions on the use of cadmium, that is to say, by replacing cadmium altogether where that is already feasible today, so as to reduce intake levels as rapidly as possible and eventually arrive at a situation in which we can entirely forego the use of this dangerous substance.

In committee we drafted some amendments to the Commission's proposal, and I should like to explain them briefly at this point. The most important and most difficult point discussed in committee was the exclusion of the manufacture of phosphoric acid and fertilizers from the field of application of the directive. It was only after lengthy discussions and with certain reservations that I as rapporteur found myself able to accept Mr Sherlock's proposal, and the compromise that we worked out was that effluent from these industries should be dealt with as soon as possible in a

separate directive. I should like to hear the Commission's views on this point.

At this point I should like to urge the industries in question, particularly the fertilizer industry, to really get down to improving their technology as quickly as possible, so as to cut down the cadmium level in phosphate minerals, and if possible before they are further processed.

A further important task for our committee was to adapt the cadmium directive as closely as possible to the mercury directive already adopted by the Council. The result of this is that there are, particularly in Annex II, some additional fine points which involve no substantial change in content but should make it easier for the Commission and the Council to accept the result of the vote in the European Parliament.

The reduced effluent values that I had originally intended to put in my draft report were unfortunately rejected in committee. I have put them in a separate amendment.

Finally, I should like to say a word about the motion for a resolution tabled by Mr Moreland and others on the export to Sweden of products containing cadmium. I disapprove in principle of the situation where a country that is not a Member State of the European Community adopts environmental protection legislation and is then warned that by doing so it is damaging good trade relations. We will shortly have the same situation when Switzerland adopts legislation on the reduction of automobile exhaust fumes, and I think it would be deplorable if Parliament or the European Community as a whole were to adopt a similar approach on that matter. For this reason I am glad that amendments to this effect were rejected in committee, and I am also opposed to the amendments tabled to paragraph 21 of the motion for a resolution.

In conclusion, I should like to point out once again that we are responsible not only for our own time but also for all the years that lie ahead. Where environmental dangers raise their ugly heads, we should bend all our efforts to putting them down immediately. Heavy metals are like time bombs. We should defuse the ones we have as quickly as possible and produce no more of them.

(Applause)

IN THE CHAIR: MR ESTGEN

Vice-President

President. — I call the Socialist Group.

Mr Collins. — Mr President, I shall be very brief. I do not need to speak for very long because the rapporteur has put considerable work into this report and I think the issues have been laid before Parliament very clearly indeed.

I should simply point out that in the committee the resolution was adopted unanimously in the end, although there was considerable debate on the amendments.

The rapporteur has already outlined its point of view and the reaction to the amendments tabled and so again there is no need for me to repeat this. The fact is that the Community has a legitimate place in pollution control at international level and it is good to see another piece of the Community's environmental programme drop into place. The Socialist Group therefore welcomes the declaration of intent by the Commission to extend biological screening used for lead to cadmium and other heavy metals. It is a natural progression, of course, entirely logical but, nonetheless, it is important that we make it clear that we support the progress that is being made.

We also welcome the Commission's proposal to deal with sewage sludge. Sewage sludge has a high cadmium content and it may pose problems by reason of its use in agriculture. Again this is a matter which recognizes the link between different areas of policy, and we think it is very welcome because it does not confine the care of the environment to one narrow, tiny little part of the Community's activities. It recognizes that there is a link between environmental policy and other areas of Community policy. That means that we have to recognize that the whole Community cares about the environment and looks after it. That seems to us to be very important.

The Socialist Group considers it imperative that the Commission should come forward as soon as possible, however, with a separate proposal dealing with cadmium discharges from the phosphate-rock processing industry.

We accept the difficulty that arose in this particular case and we accept the logic of the exemption. However, we would like to see a new directive as soon as possible.

Finally, I would simply like to say that the Socialist Group warmly recommends adoption of this important report. The European Community depends for its future not only on debates and proposals in the great glamorous issues that preoccupy us for the rest of the week when this Chamber is rather more full than it is at the moment. The European Community depends for its future also on urgent matters that affect the lives of the ordinary people. We think that this is such a proposal and that is why we support it so strongly.

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

Mrs Lentz-Cornette. — (*FR*) Mr President, ladies and gentlemen, cadmium should be considered from three points of view: first, its origin; secondly, its usefulness, and thirdly its toxicity.

In the first place cadmium is found in nature combined with zinc, lead and copper. It is almost never found in a pure state. It is therefore a by-product of the extraction and further refinement of various metals. For example, zinc contains one percent cadmium. World cadmium production which only amounted to 80 tonnes in 1911 has increased rapidly to 20 000 tonnes a year. In 1980 Western Europe consumed 6 500 tonnes of which it only produced 5 000. This will give you some idea of the quantities used worldwide.

Cadmium is also found in phosphate rocks which are used for fertilizer or as a basis for the production of phosphoric acid. However the cadmium content of various phosphates varies. Thus Russian phosphate and American phosphate only contain a few grammes of cadmium per tonne whereas the majority of phosphates from Central Africa, for example Senegal or Togo, contain up to 70 grammes a tonne. On the average the phosphates contain 20 to 30 grammes per tonne.

We are all in favour of a directive regulating the use of these fertilizers, but I find it difficult to see how the cadmium content can be reduced. To do this it would be necessary to heat these fertilizers to a very high temperature. But this would mean releasing it into the air where, as Mrs Weber has said, it would contaminate rain and therefore ultimately find its way back to the soil and water. It is therefore almost impossible, and for this reason we are insisting on excluding the production of phosphoric acid and the manufacture of phosphate fertilizer from rocks from this proposal.

Secondly, cadmium is an element useful to metallurgists. It imparts special qualities to certain metals and for this reason is used in galvanization: cadmiumized plates are more resistant to corrosion. It is used in the manufacture of alloys, accumulators, the same as nickel cadmium batteries which have already been mentioned. Recently it has also been used in the fabrication of solar cells and it is also used in electronics in measuring and regulation equipment. It is also used in the fabrication of stabilizers for PVC and in pigments and if cadmium could no longer be used it would have to be synthesized. It is therefore difficult to replace it, particularly in metallurgy. Sweden, for example, has banned the import of certain cadmiumized products, but this has been more for economic than for ecological reasons since it itself uses cadmium in its productions.

Thirdly, cadmium is unfortunately a very toxic metal. We know that ever-increasing quantities of cadmium are being used in all industrialized products and we are aware of the hazards of cadmium waste. For this

Lentz-Cornette

reason it is urgent to establish the lowest technically possible acceptable limits and quality goals. For this reason the EPP approves the lowest acceptable limits set by the Commission and is opposed to the amendments tabled by the Members of the Socialist Group, which were also rejected by our committee.

It would be useless to fix limits if the Commission were not kept up-to-date of the results obtained at various national levels. For this reason the analysis and reference methods for cadmium must be harmonized throughout the Community. It is also desirable that there should be a European control body in view of the fact that certain Community countries have set lower limits than those contained in the directive. In this way controllers from one country could carry out checks in another country.

In conclusion, we are all convinced of the hazards of cadmium and we all hope to help in the future to limit the discharge of cadmium into the aquatic environment since the health of the aquatic environment, plant life, animal life and ultimately of man are at issue.

(Applause)

President. — I call the European Democratic Group.

Mr Sherlock. — Mr President, I must join with the rapporteur in regretting that yet again we find an important environmental topic relegated to the tail-end of the proceedings. We find ourselves addressing an audience that in the most polite of terms could only be described as sparse and we shall possibly have a vote which numerically is of very little significance, and could easily, by somebody just happening to be here or not happening to be here, go in either direction.

I notice that the entire three years plus that I have been talking on environmental topics, if it has not been at this time on a Friday it has been at approaching midnight on a Thursday.

(Applause)

If the Bureau cannot take heed of the importance of these things, perhaps it is time we changed the Bureau.

(Applause)

From our chemically qualified expert from Luxembourg, you have already heard enough about this curious element. And at this time of the day I am inclined like Achilles to sulk in his tent and say nothing. But there are one or two things I must rub in.

(Interruption)

It would, Eric, in the right places do a lot of good.

It is toxic and everybody agrees it is so. It is unfortunate in that it occurs principally as a contaminant of substances of greater commercial use, especially zinc and phosphates, as has already been mentioned. But those who profess to think in terms of banning should also consider that its perhaps unique use is in solar energy systems, which with another breath many of them will be vaunting as suitable alternatives to, for example, nuclear power production.

I would like to rub in also that little is understood at the moment of its toxicology, especially the mechanisms of bioaccumulation which may sound an awful lot to you at this time of day but are significant. And we also do not truly understand why some people seem to get seriously ill, such as the outbreak of *itai itai* disease in Japan, which is under dispute, while the villagers of Shippon have lived on a cadmium rubbish dump left behind by the Roman invaders in Britain centuries ago. Evidence of absorption is there and is definite and it is quite higher than generally acceptable levels. But in addition these good Somerset folk are in no way epidemiologically, intellectually or genetically different from those in other villages.

We are all agreed, however, that accumulation of this undesirable element, which is distributed by industry, should be kept to a minimum to shield future generations against possible risk. I do dispute the alleged urgency and I certainly dispute some of the proposed levels, which would be attainable only at enormous cost. And I must rub in that a drive against the phosphate rock industry, where no economical process exists at present to reduce cadmium discharges to desirable limits, would have disastrous results on employment in the fertilizer industry and on such excellent Lomé partners as Senegal and Togo whose budgets depend heavily on phosphate exports.

Finally, I must draw your attention to the fact that a whole emerging family of pigments could be smothered at birth by a mindless general ban on cadmium pigments. The new generation of pigments will be of such low solubility as to be even less of a risk than the present ones. I ask your support for the mature recommendations of the Committee on the Environment, Public Health and Consumer Protection and for the amendments of Mr Alber and Mrs Schleicher. We have tried to ensure early acceptance by the Council of these proposals by bringing them into line with the mercury directive already mentioned by our excellent rapporteur, because that has been approved by that august body, the Council.

(Applause)

President. — Thank you, Mr Sherlock. I must tell you that I am entirely of your view insofar as the criticisms you have made relating to the agenda. But I must tell you that the Bureau is in your hands for the agenda and also for the composition of the Bureau. I think we must think about it.

President

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

Mr Møller. — (*DA*) Like the President, I feel that my learned friend, Dr Sherlock, should be reminded that it is not the Bureau which fixes or draws up the draft agenda for our part-sessions but the group chairmen together with the President and that the final adoption of the draft agenda takes place at the plenary sitting. I do not know whether my learned friend has voted for it but, in any event, he knows that it was discussed in his group before being put to the vote here on Monday afternoon.

President. — You are perfectly right, Mr Møller.

I call Mr Forth.

Mr Forth. — Further to that point — just to clarify it, Mr President — I am sure that Vice-President Møller is aware of Rule 55, which says:

Before each part-session, the draft agenda shall be drawn up by the enlarged Bureau on the basis of a programme prepared by the President after consulting political groups and the committees.

Now that says to me that several people should be involved in the preparation of the agenda. I point out to Vice-President Møller and indeed to you, Sir, that there are more vice-presidents in the enlarged Bureau than there are group chairmen and that we therefore look to the vice-presidents to exercise their discretion and common sense when setting up the agenda in accordance with Rule 55. I will leave that thought with you, Sir.

President. — I note what you have said.

I call the Communist and Allies Group.

Mrs Boserup. — (*DA*) Mr President, it is a great pity that we have to return to cadmium after that interesting discussion on whether it is the group chairmen or deputy chairmen or someone else who decided what we do here. As you well know, it takes one and a half hours of our valuable time to adopt the agenda. That, to my mind, is a scandal. Turning now to cadmium I am not usually a very enthusiastic supporter of anything that looks like a proposal for a directive. I had decided to make an exception in this case. I entirely support Mrs Weber. Nonetheless, I regret that it was thought necessary in the committee to avoid attacking the exemption clauses laid down in Directive No 76/464. This is mentioned in Amendment No 8 to Annex 2 but there is nothing there which states that one should find a way of putting an end to these exceptional circumstances. If what is meant is harmonization, it cannot be the Member States who avail of

the exceptions and I also think that the Council too should reflect when it should vote on it. It has happened before that nine united ministers in the Council can 'twist the arm' of the tenth if necessary and I also think that in this case it would be necessary though I may later come to regret having said so. But that is something else entirely.

Finally, my enthusiasm for Mrs Weber's work is coloured by the fact that it has been so clearly stated that the Swedish measures should not be regarded as an obstacle to negotiation with Sweden. I believe that we should seize the occasion, and I am happy about this. It could provide reason to hope that countries which have made the wise choice of dealing with the common market without being harnessed to the yoke of the Rome Treaty can adopt favourable conditions. That could also apply to Denmark so for that reason I welcome the last passage in paragraph 21.

Mr President, I will not take issue with it too much. I am also opposed to many things about cadmium. In fact I was once a chemist but in that machine down there they tend to forget everything they knew before and to learn precious little that is new.

President. — I call the Liberal and Democratic Group.

Mrs Scrivener. — (*FR*) Mr President, ladies and gentlemen, I should just like to make a few remarks.

The Commission ought to be telling us shortly, provided of course that Parliament adopts this amendment, whether it will exclude phosphate fertilizers from the directive's field of application. These fertilizers are at the present time essential to agriculture and unfortunately it is not possible, in the present state of scientific knowledge, objectively to fix limit-values for the discharges of this industry. The Commission must encourage research in this area and formulate a proposal as soon as the relevant technology makes checks possible.

Furthermore, the Committee on the Environment has adopted an amendment, which I myself tabled, asking that the Community give financial aid to older establishments so that they might utilize as early as possible better techniques for eliminating cadmium. This proposal has already been approved on two occasions by our Parliament within the framework of the reports on the protection of workers exposed to lead and asbestos. As I have already indicated, measures such as these would enable small and medium-sized undertakings to meet at an early date the obligations imposed by the directive.

We must realize that the acquisition of the most advanced technologies entails a heavy financial burden for these undertakings and that if we do not move in this direction, they would quite simply be unable to apply Community provisions.

Scrivener

It therefore seems to me that this Parliament must endorse the decision of the Committee on the Environment so as to effectively ensure a better protection of the environment and of the population against cadmium discharges. My final observation — and it will not be the first time I have said this — concerns measuring methods. All dangerous substances should be measured uniformly throughout the Community. I emphasized this in the debates on lead and asbestos and I stress the matter again here. Without comparable methods of measurement our work on a European scale will be totally ineffective. In conclusion, and subject to the remarks I have made, the Liberal Group will vote in favour of the report by Mrs Weber.

President. — I call the Non-attached Members.

Mr Eisma. — (NL) Mr President, it was 1976 when the framework-directive on dangerous substances was adopted. Since then only a directive on mercury and anhydrides has been submitted by the Commission. Cadmium is the third in the series. The pace at which the framework-directive has been translated into specific directives is certainly not a fast one. We are not entirely satisfied with the situation. On 129 substances on the so-called 'black list' directives will have to be produced. At this rate, i.e. five directives in six years, it will be well into the twenty-second century, or to be precise in the year 2131, before we have all the directives in our possession. The question is whether all this will still be necessary; in other words will we make it to the year 2131? Might I respectfully ask the Commission in this connection to step up the pace a little on the many forthcoming directives in relation to the substances included in List I of the 1976 framework-directive?

With respect to cadmium we are of the opinion that replacement of cadmium by other products is the best solution or, if this is not possible, filtering out cadmium or recycling cadmium-containing products. We believe that cadmium limit-values for specific industrial tasks can be set at a lower level than those indicated in the Commission draft directive, and we shall therefore support all the amendments to this end.

President. — I call Mr Moreland.

Mr Moreland. — Mr President, I shall deal with one part of this resolution — paragraph 21.

I should like to support the remarks made by Mrs Lentz-Cornette, because, although the rest of this report is excellent and I think a fair reflection in general of the situation as regards cadmium, I think that the section regarding the Swedish ban is misleading and indeed now out-of-date. First of all, paragraph 21, relating to the Swedish ban, and the comments attached to it are not consistent with the rest of the

opinion, because, of course, the point about Sweden is that it has gone way beyond the kind of approach that characterizes the rest of this opinion. So if Parliament passes this resolution, it will, strictly speaking, be inconsistent.

Secondly — and what perhaps is more important — paragraph 21 is now out-of-date because to some extent the Swedes have conceded the case to the Community, thanks to a considerable extent to negotiations with the Commission, and have now allowed a number of exemptions to their ban.

I would therefore suggest that it is much more appropriate to support the amendment of Mrs Lentz-Cornette replacing paragraph 21. After all, this is a clause that is particularly important for a number of industries, particularly the tableware industry. I was somewhat surprised to hear Mrs Boserup support paragraph 21. I would suggest that, if she had a word with Royal Copenhagen, she might find that her comments were not entirely appreciated. Indeed, if one follows the logic of the Swedish approach, we should not be eating food off a large number of the plates we eat off in Strasbourg. The approach of the Swedes has gone way beyond scientific standards recognized by international institutions such as the World Health Organization. So, if people wish to give a kick in the teeth to the ceramic industry and also the paints and plastic industries in the Community, they can happily vote for paragraph 21.

Apart from anything else, I would suggest to the rapporteur that it is now out-of-date because the position has changed since my original resolution, which was tabled three years ago. So I hope that Parliament will replace that clause and in particular support the amendment that has been put down by the Christian-Democratic Group to replace it.

President. — I call the rapporteur.

Mrs Weber, rapporteur. — (DE) Mr Moreland, if you feel that your resolution is out of date, I feel that you should then vote to delete the paragraph. Otherwise, I believe that this paragraph 21 has been so carefully drafted that it should be retained.

President. — I call the Commission.

Mr Contogeorgis, Member of the Commission. — (GR) Mr President, first of all I would like to thank Mrs Weber for her detailed and careful report and also the other speakers in this debate for the care they have taken in examining the Commission's proposal. You are well aware of the great importance the Commission attaches to the implementation of the measures contained in the Directive of 4 May 1976 concerning pollution caused by certain dangerous subst-

Contogeorgis

ances. In its first schedule this directive sets limit values and quality objectives for certain substances.

Furthermore, the Council of Ministers recently adopted a directive concerning certain discharges of mercury. Cadmium is an equally dangerous substance and its presence in our environment has shown a constant increase in the past few years. The draft directive you are now examining deals with the discharge of cadmium into the aquatic environment in nearly all industrial processes except in the manufacture of phosphoric compounds. In addition it lays down guidelines for the monitoring and measurement of discharges with a view to harmonizing the methods used by Member States to ensure adherence to the directive's stipulations. Within a short space of time this directive should make possible a substantial reduction in much of the cadmium discharge stemming from specific industrial sources. The view expressed by Parliament contains no substantive objections to our proposal. It clarifies and supplements certain points which the Commission had not examined in depth. In my opinion your comments' are constructive. The Council's recent adoption of the directive on mercury prepares the way for action on other substances. The Commission agrees that the textual framework and provisions contained in the directive on mercury should be included in the directive on cadmium and is therefore prepared to concur with the opinion of your Committee on the Environment. In accordance with the procedure laid down in Article 149, paragraph 2, of the Treaty of Rome it is incumbent on the Commission following this debate to amend its initial proposal to the Council. As you know the Council is due to discuss this draft directive on 3 December, that is in two weeks time. The Commission will do its utmost to submit its amended proposal before that date, but time is running very short. My colleague, Mr Narjes, who is responsible for this issue, will in any case present before the Council orally those amendments which have in the meantime been accepted by the Commission. Of the amendments which have been tabled I can say that I accept those which aim at bringing this proposal into line with the text of the Directive on mercury of 22 March 1982, and those relating to Articles 2,3 and 5 and annex 2. I refer to Amendments 5, 16-28, 32-35 and 37. I also accept the amendments which precisely delimit the phosphate fertilizer manufacturing sector, namely Amendments 1 and 2. Unfortunately I am unable to accept Amendments 4-7, 13-15, 29, 30 and 36. I do not wish to refer to each of these in detail but I think that these amendments would generally weaken the effectiveness and the clarity of the text of the Commission's proposal.

I now wish to refer to industries manufacturing phosphate fertilizers and particularly to the observation made by Mrs Scrivener. These plants have been omitted from the draft directive. New technical and economic studies will be carried out in this sector and following these the Commission will prepare special pro-

posals for dealing with discharges arising out of this form of manufacture.

On the comments made by Mr Collins I would like to say that the recycling of dredged sludge containing cadmium poses special problems in some Member States. If this problem is tackled in the Community framework the Commission, by virtue of the means at its disposal, would be able to put forward proposals for controls in this sector as it did recently on the use of sewage sludge in agriculture.

In response to another observation made by Mrs Scrivener I wish to state that the Commission is willing to promote the use of the optimum available techniques for eliminating cadmium from the environment. On the basis of the polluter pays principle and Article 92 of the Treaty, and assuming it has sufficient funds at its disposal, the Commission is ready to support initiatives in this field, particularly through the use of item 6612 of the budget. In this way, and with the information conveyed back to it by Member States as they implement the directive, the Commission will be in a position to assess the purification techniques in use at regular intervals of say every five years.

On the observation by Mr Eisma I wish to say that the Commission is already preparing a proposal on the insecticides HCH, LINDAN, RENTACHLOKORHENOR, DDT and on many other insecticides. These proposals will be presented at a Council meeting in the near future. Technical aspects, the sheer complexity of the subjects and, unfortunately, limitations on staff numbers prevent the Commission from proceeding more quickly.

That is what I have to say, Mr President, on behalf of the Commission in reply to the observations which have been made. I thank the speakers, and likewise Parliament yet again for the attention it has given to this matter.

President. — The debate is closed.

Vote¹

Proposal for a directive

Annex II — Amendments Nos 18, 19, 20, 21, 22, 23, 29, 30, 24, 25, 26, 27, 28, 32, 34.

President. — I call Mrs Lentz-Cornette.

¹ See Annex.

Mrs Lentz-Cornette. — With regard to Amendments Nos 23 to 34 inclusive, could I suggest that they be all taken together? If I have understood correctly, the rapporteur agrees.

President. — There is no provision for that in the Rules of Procedure. The amendments must be taken one after the other.

Mrs Lentz-Cornette. — But the regulation also lays down that there should be a quorum in the Chamber. That is why it is called a 'plenary sitting'.

President. — I call the rapporteur.

Mrs Weber, rapporteur. — (DE) I am sorry that I am not being supported by as many Members as would be the case if I belonged to another group. However, I should like, by way of making a political demonstration, to be able to show that I am in favour of certain amendments.

Motion for a resolution.

Mr Rogers. — Mr President, could I, through the Chair, ask the shadow Socialist Group leader if he would move down to the front, because it is so full here I cannot see which way to vote.

(Laughter)

President. — Mr Rogers, in future when you have personal remarks to make, I must ask you to either send them by an usher or make them directly to the person concerned.

Before the vote on paragraph 14

Mrs Weber, rapporteur. — (DE) In this paragraph two different things are being asked, which in my opinion contradict each other. It is true that this paragraph was adopted in committee, but I feel that one cannot request Community financial aid for industry and then go on to say in the second part of the paragraph that the 'polluter pays' principle should operate. Either the polluter pays or the State makes aid available. You cannot have both at the same time.

After the vote on paragraph 14

Mrs Weber, rapporteur. — (DE) Our committee was in favour of an amendment by Mrs Scrivener which, due to a technical hitch, did not appear in the report.

Mrs Scrivener's amendment was worded as follows: '... Considers it essential that the Commission should, according as progress is recorded, state exactly what it regards as the best technical aids that must be installed by new industries, with a view eventually to introducing uniformity throughout the entire Community in order to prevent discrimination of any kind whatsoever'.

I should like to point out to you, if I may, Mr Sherlock, that your group wholeheartedly supported this amendment.

President. — I call Mr Sherlock.

Mr Sherlock. — Support is one thing, Mr President, but circulation of approved documents in the approved form is yet another. I have no copy of any amendment or change or alteration in any language. I have not received it, Mr President. I cannot support it. If it could have been done somewhere in the editing stages it could well have helped.

President. — Mrs Weber, I also have only got Corrigendum No 1 here.

Mrs Weber, rapporteur. — (DE) This corrigendum contains three paragraphs which were wrongly printed in the secretariat by mistake.

After the adoption of the motion for a resolution

President. — I call Mr Hord.

Mr Hord. — Mr President, I think it is in order in all circumstances that a vote of thanks be accorded to Madam Weber, our rapporteur, because, as we can see quite clearly, she has battled on with her report notwithstanding the fact that she has virtually no support whatsoever from her group other than the gallant Mr Enright and the semiblind Mr Rogers.

(Laughter)

President. — Mr Hord, the latter part of your remarks is your own responsibility. However, as to the first part, I should like to associate myself with it.

Parliament has now got through its agenda . . .

Mr Hord. — Mr President, with respect that is what Mr Rogers told us.

7. *Dates of the next part-session*

President. — The enlarged Bureau has agreed that Parliament will hold its next part-session from 13 to 17 December . . .

Mr Forth. — Mr President, you are just announcing that the enlarged Bureau is suggesting that Parliament meets in December, presumably here in Strasbourg. I would like to propose, and perhaps you would like to put it to the House now, that the venue for the next sitting in December be changed from Strasbourg to an appropriate place in Brussels. I would like you to ask for the House's opinion on this in order that the enlarged Bureau may make appropriate arrangements for the next sitting.

President. — I cannot accept your recommendation, because, on the basis of a decision by this Assembly, the enlarged Bureau has agreed that Parliament will hold its next part-session from 13 to 17 December 1982 in Strasbourg.

I call Mrs Weber.

Mrs Weber. — (DE) Mr President, after the vote we have just had I should like to ask you in all seriousness to discuss with the Bureau the question of whether items on the agenda, which come from certain committees, must always be dealt with at this particular time. I am aware that my group must shoulder a large part of the blame for the fact that so few Members were present in the House, and I propose to raise the matter with my group. I also feel, however, that it is a question of procedure as well and that this procedure could be changed.

President. — Mrs Weber, you are aware of the kind of argument that goes on in the groups and in the enlarged Bureau with regard to the order of the items on the agenda. I do, however, also share your concern on this point.

I call Mr Forth.

Mr Forth. — Mr President, you apparently ruled out my suggestion for reasons that I believe I can understand, but can I ask you to consider this? What you appear to be saying is that once Parliament has made a decision it is immutable, fixed and unalterable. Now I think that if that is what you are saying, it is a dangerous precedent. I would have thought that this House may be quite able, in the light of perhaps changed circumstances, to alter a decision it had made before. In the light of that I would like you to explain to me again why it is that you are unable to put this question to the House at this stage.

President. — I call Mrs Veil.

Mrs Veil. — (FR) Mr President, you have already announced that we have come to the end of the proceedings. I feel therefore that all proposals must be held over until the next part-session.

President. — Mrs Veil, I am grateful to you for your remark. We have indeed come to the end of our proceedings.

I would only say to Mr Forth that Parliament holds its plenary sittings and its committee meetings in the place where its seat has been fixed under the terms of the agreements contained in the Treaties. Exceptionally, however, and on the basis of a resolution adopted by a majority of its sitting Members, it may decide to hold one or more plenary sittings in a place other than where it has its seat. Now Parliament has already stated its views on this subject, and the enlarged Bureau has decided that the next meeting will be held here in Strasbourg. Nevertheless, it is, of course, quite clear that the Assembly has the sovereign right to take another decision.

I call Mr Enright.

Mr Enright. — On behalf of all the French Communists who are here, I would like to protest at that ruling. It seems to me that you are quite wrong. A Bureau proposes to the Parliament its venue and we had not in fact completed the agenda because you had not yet put forward the Bureau's proposal to us that we should meet in December in Strasbourg.

President. — I would propose therefore to all those who would like to see the Assembly take a different decision that they should table a motion for a resolution on which the House can then deliver its opinion.

I call Mr Fergusson.

Mr Fergusson. — Mr President, I wonder if you could explain to us the status of the remarks you have just made considering that before them you said that the agenda of the House was completed.

President. — Mr Fergusson, you have the agenda for today's sitting in your hand!

I have formally stated that this agenda has been completed.

Mr Fergusson. — I mean, the fact is that you have tied yourself into knots. I think we will leave it at that.

President. — I call Mr Kellett-Bowman.

Mr Kellett-Bowman. — Mr President, I rise to your defence. I think you were actually putting the dates of the plenary session to the House for agreement and it would be possible for the House to disagree those dates, very inconvenient though that might be. But I think it would have been possible to put those dates for approval. I do not believe that where the House meets next time is open to instant vote by the House. I am sorry if you have concluded votes on the proceedings because it was my intention to move a vote of thanks to the chair.

President. — I accept your vote of thanks, because I have not yet closed the sitting, but I shall do so now.

8. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.¹

(The sitting was closed at 1.10 p.m.)

¹ Motions for resolutions entered in the Register (Rule 49)
— Deadline for tabling amendments — Forwarding of
resolutions adopted during the sitting: see Minutes.

ANNEX

Votes

This annex indicates rapporteurs' opinions on amendments and reproduces the texts of explanations of vote. For further details of the voting the reader is referred to the Minutes.

SEEFELD REPORT (Doc. 1-834/82 — Carriage of goods by road): ADOPTED

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EYRAUD REPORT (Doc. 1-776/82 — Milk sector): HELD OVER UNTIL NEXT PART-SESSION

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RUFFOLO REPORT (Doc. 1-822/82 — Economic situation in the community):
ADOPTED

The Chairman of the Committee on Economic and Monetary Affairs, Mr Moreau, referred all the amendments to the judgment of the House.

Explanation of vote

Mrs Nielsen. — (DA) The reason I asked to give an explanation of vote is that, yesterday evening, because of what clearly was an unfortunate misunderstanding no one spoke on behalf of the Liberal and Allies Group. This definitely does not mean that the Liberal and Allies Group has no position on this question. On the contrary, I wish to say, on behalf of my group, that we welcome the views set out in the report which, we feel, stresses what is really needed in economic policy. Despite the fact that Amendment No 8 by Mr Ruffolo which calls for a policy of adapting working hours including a reduction in working hours, which is something I definitely am opposed to, this report is so sensible and so good that we in the Liberal and Allies Group will nonetheless vote for it. It genuinely mobilizes the productive forces *vis-à-vis* the private sector, and in line with liberal policy, we stress the value of competition which is what we in the Liberal and Democratic Group stand for.

Despite what happened yesterday when no one spoke, we naturally have a point of view which is that set out in this report; and we shall now vote for it.

Mr Bonaccini. — (IT) Mr President, we Italian communists will be voting against for the reasons given yesterday evening. I should like to say that our convictions on this matter are only reinforced by the way in which some amendments were dealt with this morning.

I take this opportunity of asking the Commission again, as indeed I asked it yesterday evening, if, when we meet again at the end of next year, we could meet not for the purpose of making the usual forward analysis but to carry out a post-mortem, in other words, to see how we managed. Many of the big names in this Parliament were opposed to my idea, and I would naturally like to see their hopes for the coming year come to fruition,

but if they do not, we shall be only too ready, to draw the appropriate conclusions, because this is a matter which has a vital bearing on the lives of all the citizens of Europe.

Mr Ruffolo. — *(IT)* Mr President, the debate we have held on this report only confirms my view of the whole matter. We, the Socialist Group, will be voting against this report, though with much regret because this could have been a marvellous opportunity to present, as a Parliament, a united front in adopting a unanimous opinion on the exceptional gravity of the economic situation in the Community. Indeed, the Commission's report illustrates only too vividly the gravity of the situation.

However, in view of the 12 million unemployed and the prospects of a further calamitous deterioration in the unemployment situation, the Commission proposal, which was adopted by a majority in the Committee on Economic and Monetary Affairs, does not map out a strategy commensurate with the gravity of the crisis. We stick to our view therefore and, for the reasons I have outlined, we shall be consistent and vote against this report.

(Applause)

Mr Fernandez *(in writing)*. — *(FR)* The 1982/1983 annual economic report of the Commission is characterized by a deep pessimism as to both the present and the future. It forecasts that 1983 will be a fourth year of recession in the context of a long-term crisis. While we may be in agreement with this prognosis, we are more cautious about the solutions proposed. Certainly we agree that employment — and its link with productivity — should be made the centre of management concerns, but the lines of the Commission proposals, largely reproduced in the Ruffolo report, do not seem to us to meet the case. It is right that particular attention should continue to be focussed on investments and it is true that an improvement of productivity (notably by raising the level of skills and reducing working hours) can help to promote both productive investment and the creation of jobs. However, the Commission report suggests a switch from consumption to investment; this might well be to the detriment of public spending on social benefits and schemes.

We cannot approve this approach since it aims at sacrificing social revenues and wage incomes and this is neither just nor efficacious. There can be no recovery without joint action on growth and investments, on the one hand, and on incomes and consumption on the other. Well, this approach characterizes the whole of the Commission report and Mr Ruffolo's. Consequently, Mr President, we cannot approve the Ruffolo report.

We shall vote against it.

Mr Papantoniou, *(in writing)*. — *(GR)* There are two alternative strategies for bringing about change in industrial structural relationships. The first of these, which is being practised in various forms by conservatively-minded governments and which looks like being espoused by the Commission, puts its faith in a reduction of the public sector borrowing rate and in curbing inflation through the exercise of tight fiscal and monetary policies and the creation of mass unemployment.

This strategy carries serious dangers. Economically there is the danger of a leap in inflation in the event of an economic recovery because of the loss of productive capacity caused by prolonged recession, of rising demand coinciding with inadequate supply resulting in heightened inflationary pressures. But the main danger, however, is political. The mass unemployment and severe cuts in public spending entailed in a deflationary economic policy pose a threat to social calm and political stability.

We socialists believe in the second of the two strategies for industrial restructuring, a strategy which is based on three fundamental tenets. The first of these tenets is that recovery in the level of productive investment should not be left exclusively to the good offices of the private sector. The second tenet is that creation of the conditions conducive to investment growth should not involve methods which deepen the recession and create unemployment. And, finally, the third tenet is that the problem of unemployment should be tackled by direct intervention in the labour market.

It is clear that the motion for a resolution under debate veers towards the strategy favoured by conservative forces within the Community. In particular it supports without any reserve the Commission's proposals recommending exclusive reference to nominal magnitude targets (National Monetary Product), something which threatens to leave no scope for the genuine growth of national product and thus worsen the recession. Also it makes no references to the role of the State in the investment process or to the need for a prices and incomes policy, while its references to the problem of unemployment are restricted. For the Greek Socialists the report presents an additional problem concerning the EMS. It is essential for us to fully understand that coordination of economic policy cannot be forced on the governments by the introduction of new political means, but that the prerequisite for this is the perception by all the Member States that the Community operates to their advantage thus engendering a willingness on their part to participate in joint ventures for the promotion of Community objectives.

For this reason the Greek Socialists will vote against the resolution.

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**MICHEL REPORT (Doc 1-784(82 — Non-associated developing countries):
ADOPTED**

Mr Israël. — (*FR*) Mr President, ladies and gentlemen, it was with much interest and admiration that we read and studied the report of our late dear colleague, Mr Michel. His report is imbued with all the generosity that marked his work among us and I should like, on behalf of my group, to pay our last respects to him.

Mr President, any operation that consists in giving economic aid to the non-associated countries involves a risk. Should we globalize European Community aid and in this way reduce the force of the Lomé agreement and weaken our relations with the associated countries? The answer is: We have no choice. We cannot live in an economic paradise and content ourselves every now and again with distributing the crumbs of development to those countries that do not have the good fortune to partake of the banquet of humanity.

The Commission proposals, approved by Mr Michel, will therefore be accepted by us. Naturally we shall continue to look very keenly at the nature of the schemes we are going to help. We are not unaware that we risk being accused on each occasion of interference in the internal affairs of other States, particularly when we pass judgments on their regimes, but there is one point on which will not compromise, Mr President: the observance of human rights in all these countries; we shall demand compliance with human freedoms even if we realize that we must always aid these countries while closing our eyes a little for there can be no question of avenging ourselves on these people for the errors committed by their regimes.

I conclude, Mr President, with a final thought in memory of Mr Michel.

Mr Deschamps (*in writing*). — (*FR*) Mr President, at the start of this session you paid a fine and well-deserved tribute to our much-loved late colleague and friend Victor Michel.

We wish to thank you: not only on behalf of our group, but also on behalf of his many friends, his family and, in particular, his wife, always so closely associated with his ideals and his work.

You rightly stressed the remarkable continuity in the concerns and activities of Mr Michel, who was educated at the establishment of the admirable Cardinal Cardijn in ideas of greater social justice.

When he arrived in this European Parliament, Victor Michel's main aim was to continue this same struggle on a scale now assumed by the fight for social justice, i.e. worldwide.

It was this that led him to play such an active and often decisive role in the Committee on Development and Cooperation. Most especially within the framework of the Lomé Convention and the fight against hunger in the world.

The report we have discussed today was his last parliamentary work.

No amendment has been tabled to his text, which goes to show once again how skilful he was in reflecting the unanimous thinking of his colleagues.

I cannot but associate myself completely with both the report and the presentation put before us by Mr Bersani.

If I might stress one point, it would be that covering paragraphs 10, 11 and 12 of the motion for a resolution. These concern a close coordination of the instruments needed to finance the special programme advocated by the Commission. They also concern a genuine coordination, within the framework of this special programme, of Community policy and the bilateral policies conducted by the various Member States.

Victor Michel who, like us, wished to see development cooperation become one of Europe's major policies, was certainly aware of these difficulties. But his essentially active and optimistic temperament led him to envisage the future with confidence and he saw in this new Commission proposal the opportunity for a further step on the road to a genuine European development policy.

By voting the Michel report and the resolution we are not only paying a final homage to our departed friend but we are also placing ourselves more wholly in the service of the least developed countries and promoting Europe and its image around the world.

Mrs van Hemeldonck (*in writing*). — (NL) The report by our late much-loved colleague, Mr Michel, is deserving of acclaim since it so clearly illustrates the dependence of the southern hemisphere *vis-a-vis* the north.

We cannot emphasize strongly enough this economic inequity, the cause of all injustice. The north possesses almost all the means of production, the capital, the technology and the know-how. The north determines the prices not only of what it produces and exports itself but also of what the south produces in minerals and agricultural products and of what the south must import.

On top of this the multinational undertakings and banks control all the trade structures and the processing of the most important raw materials in South and Central America, from bananas to tea, from coffee to sugar and zinc. The giants share out the world market amongst themselves. Thus, for example, a single Swiss firm controls some 60% of the European market in soluble coffee . . .

Price manipulations raise profits even further. A very high value is set on the technology introduced by the principal undertaking and a low value on the products made in the local subsidiary undertakings. In this way the real profits are concealed. A UN study has revealed that fifteen pharmaceutical firms in Colombia on average declare profits of 6%, whereas in fact 79% profits are made by means of transfer dodges.

The banks, for their part, speculate on future markets in sugar and coffee, which are often handled ten times over before ultimate exportation.

Even *consumption* is manipulated by the multinationals by means of advertising, through the media, schools, yes even the social and development programmes which the Western model and Western values impose. In South and Central America the woman is often the mainstay of the family, and not just the emotional anchor, but usually the person whose economic activity ensures a meagre existence for the children and older members. However, the Western model of the man as sole breadwinner is used to make a division of labour possible in which only the man's work is paid for and the work of the woman and other family members goes unpaid.

All these facts were known to Mr Michel and his recommendations, which we as Socialists support 100%, are intended to restore economic and cultural power where it belongs: to the peoples of Central and South America.

Mr Skovmand, (in writing). — (DA) It is probably well-known that the EEC's foreign aid is relatively small; smaller than that given by the UN bodies and smaller than the bilateral aid given by the Nordic countries.

The EEC Commission has now proposed to extend this aid so that aid to countries outside the Lomé Convention will be more than doubled. Where Denmark is concerned this aid will be subtracted from that given to other more deserving causes.

The Popular Movement Against the EEC is opposed to the resolution.

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FILIPPI REPORT (Doc. 1-846/82 — New financial protocols): ADOPTED

Mr Stella, deputy rapporteur was:

— in favour of all the amendments.

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BEUMER REPORT (Doc. 1-789/82 — Tobacco): REFERRED TO COMMITTEE

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COLLINS REPORT (Doc. 1-831/82 — Seal pups): ADOPTED

The rapporteur was:

— in favour of Amendments Nos 4, 7, 8, 10, 12, 13, 14, 16, 20, 21 and 22;

— against Amendments Nos 2, 5/rev., 6, 11, 15, 17, 18, 19, 23 and 24.

Explanations of vote

Mr Seligman. — Mr President, I would like first to congratulate Stanley Johnson on a very well-organized and very well-financed campaign.

(Interruptions)

I was one of the ten who voted against Mrs Maij-Weggen last time because it did not give Canada time to take the necessary measures to stop the inhuman methods of slaughter. Now I say that Canada has had time at least to promise changes in the method of slaughter. But they have not satisfied me that they have taken any adequate steps to change it. So I shall now change and vote in favour of the ban.

Mr Moreland. — Mr President, before I go on to my explanation of vote, I would state that I am quite happy to apologize and to withdraw any abusive word that may have been caught by Mr Collins. I would suggest to him that I do not think that one abuse deserves an abusive response back. I hope he will agree with me that, particularly as my abusive

remark was not actually recorded, his original remarks and my remark that was not on the record and the ones that I have not made should not in fact now be recorded.

(Laughter, interruptions)

Mr President, I think after that last remark, I have got lots of cause to claim abuse, but I think I will get on to what is a more serious speech.

Mr President, I shall vote against this resolution because I have always believed the issue to be hypocritical. We have many abuses of animal welfare within the Community and, indeed, where other products that we import into the Community are concerned. We are quite happy to deal with abuse in third countries but not abuse within the Community.

I might, for example, mention that seal products, I understand, are mainly sold in West Germany. West Germany also has a large market in fox products which come from foxes caught in steel traps elsewhere in the Community. There was an article, for example, in the London Times in August which reported that mallards were killed by dogs in Holland. Now there are lots of these, and I think it is to some extent not right for the Community to vote for this unless it is prepared to go further. That is, I think, the important point. I am prepared to vote for it if I have the assurance that every Member here is prepared to support investigation into abuses within the Community.

(Cries of 'hear, hear'!)

That seems to me to be the important point. Somebody shouted *paté de foie gras*, Mr President, I had better not continue on that. But I will end by saying, first of all, that I congratulate Mrs Maij-Weggen and Mr Johnson. Although I do not agree with them, I think they have waged a magnificent campaign. But if I could end on perhaps a slightly sour note, I think in the words of the New Testament — 'Let him who is without sin cast the first stone'.

Mr Gautier. — *(DE)* Mr President, ladies and gentlemen, I shall vote against the report, just as at that time I did not vote in favour of Mrs Maij-Weggen's report. I have three reasons for voting against this report.

In the first place the Commission gave no answer to the very practical questions put by Mr von der Vring.

Secondly, last month we adopted by a large majority a report by Mr Seeler on trade embargoes which stipulated that the burdens imposed by the implementation of economic sanctions should not weigh on particular groups but should be shared equally by all. In spite of that this morning's vote saw the rejection by this House of Mr von der Vring's amendment which sought to ensure that the fishermen would not be the only ones to suffer by such an agreement but that the burdens would be equally shared by all. In this matter it is quite obvious that the House is not prepared to draw the conclusions that should be drawn from the Seeler report.

My third point — and this is my real reason — is linked with the remarks that have just been made by Mr Moreland. I feel that we are treading on very dangerous ground in evoking the provisions of GATT for moral purposes, because a one-sided interpretation of these provisions can have consequences for many countries. I also regard this manner of proceeding as somewhat strange in that we in our Community have so many problems that we tend to look mainly at those that hurt us least.

The report by the Committee on the Environment, Public Health and Consumer Protection on the forceable feeding of geese for the purpose of producing *pate de foie gras* was adopted without any votes against, and the committee saw no reason to limit or ban this trade in any way because of the differing moral and cultural attitudes to this practice. Well, when I see this kind of thing happening, it seems to me that we are definitely applying double standards. I am not prepared to go along with this kind of farce.

Mr von der Vring. — *(DE)* Mr President, I am not going to speak on moral issues, because that does not sound so wonderfully well coming from this Parliament. I have tried

by means of amendments and by asking for various concessions to have the document worded in such a way that I also could accept it. The fishermen whom I represent would actually be in the forefront of any movement against cruelty to animals and unnecessary slaughter. However, this House has shown by the way in which it voted that it is completely indifferent to the consequences of its action.

I asked that the adverse consequences of this decision should not be simply offloaded onto the shoulders of a handful of fishermen, but you simply voted this down. The alternative would have been, for example, a reallocation of catch quotas or something like this, but the committee did absolutely nothing about this. The committee said that it had considered all aspects and covered all eventualities, but it just did not go into this question. It is a case of 'the devil take the hindmost'.

The text of the amendment read: '... urges the Commission to ensure beyond all manner of doubt that Community fishermen who have been given agreed fishing rights off the coast of Canada should not become innocent victims of any trade conflict with Canada'. Why does this Parliament reject this? It just does not fit in, in my opinion. For this reason, and please forgive me for saying this, I cannot vote in favour of this motion for a resolution.

Mr Patterson. — Mr President, I think it has been generally agreed in the debate and by the Commission that this is pre-eminently a moral issue, and I think that the most serious charge made against those who support the regulation contained in this report was made by Mr Moreland when he charged us with hypocrisy, and it is a very serious matter to have to take into account.

He did quote from the Bible: 'Let him who is without sin cast the first stone'. I think this is apt but also misleading. The message in that particular phrase from the Bible is that no stone should be thrown, because everybody is with sin. In other words it is an argument for doing nothing about anything. That is why I do not think it is an apt quotation.

It is true that foxes are caught in traps. It is true that *foie gras* is, maybe, not all we should desire it to be. It is also true, as was stated from the socialist benches, that we perhaps care more about seals than unemployment or South Africa. That is not an argument for voting against this regulation and for doing nothing. It is not an argument that because we do not protect the monk seals we should not protect the harp and hooded seals. It is an argument for doing something about the monk seals and I am glad that the Commission said that they would do so.

So the charge of hypocrisy, I take it, is real. But what it means is that we should vote for this regulation and this report and then go on and do something about the rest. I am sure Mr Johnson will do so.

(Applause)

Mr Beazley. — Mr President, we have heard a lot about hypocrisy. Could I just draw to the attention of the House that all those who have talked about *foie gras* might be advised to read a very eminent and interesting report which the committee concerned has written about it?

Gautier. — I voted for it!

Mrs Péry (in writing). — (FR) Mr President, ladies and gentlemen, the hunting of baby seals is a matter of deep concern to the vast majority of the general public, and it is something we must take account of. It is also true that the films we have been shown have profoundly shocked us. I would like nonetheless to see agreement between Canada and the EEC rather than a trial of force initiated by a ban on babyseal skins from March 1983.

The Canadian Government must protect those species of seals that are threatened and ban their hunting. These species must be included in the Washington Convention on international trade in species of flora and fauna threatened with extinction.

To wish to ban the hunting of all young harp seals, as sought by the report, seems to me premature. A scientific study is needed to determine the likely biological consequences. The seal has always been hunted. Its proliferation would result in a reduction in fish stocks and perhaps a degeneration of the species. Added to these biological consequences are the economic consequences for the Canadian regions concerned. We must bear these in mind. Canada, for its part, is threatening to break certain trade agreements with the EEC and notably the fisheries' agreements. Many European fishermen would be affected. In France alone 800 fishermen are under threat and with them the major fisheries of Bordeaux and San Malo.

Let us negotiate therefore with Canada. Economic considerations must not prevail in this debate. Between the forces of money and the survival of the seals, my choice is made. But, on the other hand, there is also the life and livelihood of men. Let us remember this in our steadfast search for an agreement with Canada.

Mr Skovmand (*in writing*). — (*DA*) Most people are shocked and appalled at the slaughter of newborn seal pups that is carried out in Western Canada for the sake of their beautiful white skins.

The Commission has proposed that a ban be placed on imports of these skins, though, this will only have the result of furthering the sale of other types of sealskins. It is a well-known fact that this campaign against trade in the skins of seal pups has disastrous consequences, particularly for the seal hunters of Greenland. Their sales have been reduced to such a point that their very existence is threatened.

It would seem that Mr Collins has attached no importance to this problem. He would like to see a ban on the import of all skins of seal pups from Greenland without any thought for the disastrous consequences this will have for the people of Greenland.

The Popular Movement against Membership of the EEC will therefore vote against this proposal.

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BOMBARD REPORT (Doc. 1-655/82 — Land-based pollution): ADOPTED

The rapporteur was:

— in favour of Amendment No 1

Explanation of vote

Mr Kallias. — (*GR*) The salvation of the Mediterranean is in effect tantamount to the salvation of a large part of Europe, as well as of North Africa and a part of the Middle East. But it is also a duty we have to the sea which has been the cradle of the greatest civilizations. In the Mediterranean basin realism, idealism and also, I would say, romanticism met with each other. I warmly congratulate Mr Bombard on his fine report and gallant sentiment and I shall vote for the motion for a resolution with great satisfaction.

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SQUARCIALUPI REPORT (Doc. 1-294/82 — Subsonic aircraft): ADOPTED

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WEBER REPORT (Doc. 1-821/82 — Cadmium): ADOPTED

The rapporteur was:

- in favour of Amendments Nos 1, 5, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 32, 33 and 34;
- against Amendments Nos 2/rev., 3/rev., 4, 6, 7, 8, 9, 10, 29, 30 and 31.

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