

Annex

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## Debates of the European Parliament

1979-1980 Session

Report of Proceedings

from 13 to 16 March 1979

Europe House, Strasbourg

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

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## IN THE CHAIR: MR BRÉGÈRE

### *Oldest Member*

**President.** — The sitting is open.

#### 1. *Opening of annual session*

**President.** — Pursuant to rule 1 of the Rules of Procedure, I declare the 1979-1980 session of the European Parliament open.

Ladies and gentlemen, in conformity with the Act relating to the election of representatives to the Assembly by direct universal suffrage, the peoples of Europe will in June be called on directly to elect their representatives in our Parliament.

#### 2. *Address by Oldest Member*

**President.** — Ladies, gentlemen, colleagues, as I said a year ago, at the same time, at the same date, from the same chair, the privilege of age gives me for the second time — although, contrary to the proverb, there will not be a third time, and for good reason — the pleasure and the pride of opening the annual session of the European Parliament.

I had then the opportunity of paying tribute to my predecessor in this honorary role, my friend Mr Houdet, as well as to Mr President Poher — a tribute which I renew today, and which I also pay you, my colleagues, representative as you are of the various national parliaments and of the peoples who make up our ancient Europe, laying claim to your kind indulgence and thanking you for the attention which you are so kind to accord to me.

I saluted your various nations, adding that this was our Europe with its beauties and its weaknesses, its mistakes and its achievements, its failures and its triumphs. I added: 'It is our common heritage, our resemblances and our differences, our temperate climates and the sweetness of our lives.' I spoke of Greece and of its Mount Olympus, while on the other hand, I deliberately refrained from mentioning Spain and Portugal — a thing I could not dream of doing today in view of the problems they are posing, or will pose, to our successors.

Difficult problems, even formidable ones, but ones which will find their solutions, for this is the appeal of the light and culture of the Mediterranean; it is also for us the ocean and the wide open spaces, and to all those in opposition to, or in conflict with, this enlargement, I should like to say — quite simply — that as enlightened men of good will they cannot reject the new perspectives which, sweeping aside prejudice and dogma, will allow — it is my hope — the men of the new society now being formed to approach the truth.

## President

I know that truth, like justice, is a very subtle element. She wanders unrecognized among men, but, as Voltaire said, we must seek her and find her.

The truth is that today we are sinking ever more deeply into darkness and obscurity; drama, suffering and passion are the daily lot of an ailing humanity. Despair and danger threaten mankind wherever social and economic inequality reigns.

Hunger and poverty for millions of people, unemployment and destitution for so many others. Unemployment: this living, tentacular hydra is threatening our youth, and thus also our future and our civilization. The energy crisis is an economic and social reality, and oil, this new god, threatens Europe and brings the men of our continent to their knees, reminding me of a line from Rimbaud, which I quote from memory: 'And men quaff down a long draught of poison'.

Moreover it is unthinkable that men should cease to belong to human societies and should be transformed into horrible machines deprived of all imagination, of however unromantic a kind. Here I should like to repeat an appeal by my friend President Spénale, who, addressing the members of an international commission at Rome, said: 'Never forget that behind your machines and your speculations, there are men'.

And Europe ?

In our Assembly, my, friends, we are well aware of these difficult problems; we live through them every day. It is not for me to analyse them here, but the President whom you shall elect presently will be able to do it when our mandate runs to its close, in other words, in a few weeks when he draws up the balance-sheet of our work, of our activities in the economic, social and political fields.

Then he shall tell how we have done our utmost to defend 'human lives in human conditions', as it was phrased by Montaigne, a son of my own Périgord.

We are sure that the European Parliament to be elected will make its full contribution, will bring the whole of its will and of its useful energy to the task of solving these basic problems. It will say, and we too say, that for these solutions, the widest possible cooperation between the countries of Europe is indispensable: it is a necessity, even, for the Community alone offers the opportunity and the scope to take up the technological challenge and to confront, as Jacques Delors puts it 'the old or new economic giants and to lay, on the basis of the Lomé Agreements, the foundations of a collaboration between old industrial societies and new countries that can serve as an example'.

In the face of the crisis, Europe needs to think again about its regions and its people; the problems of the EEC give you daily proof of this.

However, I shall add my personal observation that it has taken a long time for our industrial society to turn

its attention to the crucial problem of its survival and to accept the need to investigate the threats which its development creates for natural balances. It has only been the growing seriousness of the situation, the ever more numerous warning cries from the first defenders of the environment, and latterly also no doubt the energy crisis, which have brought about a salutary examination of conscience and have forced governments, more or less everywhere in the world, to seek remedies.

In France, few weeks pass without some new ecological association being formed, without some forum or study group meeting on environmental problems, or without new writings being published which present a pessimistic assessment of the dangers of progress or on the deterioration of the quality of life, which now seem to be fundamental ingredients of the crisis of civilization. In our country, a recent opinion poll showed that 80 % of our citizens were worried about the damage caused by industrial development and that 86 % of them saw a necessity for the setting up of an overall project. The Community authorities should feel themselves swept up by this practically unanimous tide and should adopt unswervingly all the measures necessary for an overall policy.

A percipient observer of Community life wrote recently in a French journal:

Make no mistake, the fight against inflation, like the fight for jobs, the adaptation of our industrial and agricultural structures to the new power alignments in the world economy, the help which must be given to the development of the Third World, protection against pollution from multiple forces, access to the most advanced technologies, and the supply of energy can no longer be dealt with successfully in isolation by countries of dimensions and means which are too restricted. In a wide range of spheres, only the European dimension offers a guarantee — or at least a chance — of effectiveness.

These ladies and gentleman, are statements full of logic to which we can subscribe. At the same time, an environmental policy does not conflict with economic development, although this development cannot proceed to the detriment of the natural environment or of the habitat which man fashions for himself and which conditions his destiny. Thus an environmental policy comes to influence economic development by imposing certain limits on it and introducing into it, with moderation and logic, certain structural changes.

The European Parliament to be elected by universal suffrage will have the opportunity and the duty to bring all its new authority to bear on the task of making our peoples understand the need to conceive a new European policy, which, commensurate with the aspirations of the men of our time, will bring within its scope all the questions to which Europe alone can give a valid answer.

**President**

I would like to mention in particular the development of cultural cooperation and, as I stressed here some years ago in a report which had been entrusted to me, the training of young people, public health, the defence of human rights, for which our Parliament has done so much.

There is another sphere of major importance in which Europe can and must make a decisive contribution, and it is that of combating unemployment. Economic nonsense, human drama, threat to the equilibrium of the social organism, under-employment is challenge number one. I have certainly no miracle recipes to propose. What I know, and our colleague Mr Pisani recalled this in this forum in the course of a speech which attracted particular notice, is that we must define a new concept of the full employment of men to resolve a structural crisis which results from factors both internal and external. To build in concert with both sides of industry, a new society in which work is a scarce commodity and leisure a commodity very widely shared — this is one of the major imperatives of this last quarter of the twentieth century.

To undertake this mobilization against unemployment with any chance of success, there must be a return to relative monetary stability, even if this is not enough. For this reason we congratulate ourselves that the European Council has laid the first foundation stone of monetary union by deciding on the entry into force, today, of the new European Monetary System. We wish very earnestly that all the Member States should participate in these mechanisms, which must affirm Europe's monetary identity and contribute to the reconstruction of a true international monetary order.

The European campaign is now launched. It cannot be said that in France its *début* has gone forward with perfect serenity, notwithstanding the launch publicity presented in the form of a bird-man bearing the laurels of liberty and hope and flying over a land of men of goodwill.

The crisis will be long, difficult and dangerous to pass through. Only the unity and solidarity of the peoples of the Community will make a full awareness possible of these clear and harsh realities which face us today, of those which are awaiting us tomorrow and which place a question mark against the fundamental values of our society.

We must draw the consequences, all the consequences, for the destiny, the whole destiny, of Europe is at stake. Its survival is at stake, and its grandeur — its true grandeur, that which flows from its creative and humanistic tradition, which is written in deeds and not in words and which is the only one which lasts.

*(Applause)*

*3. Election of the President*

**President.** — The next item on the agenda is the election of the President of the European Parliament.

I call Mr Pintat.

**Mr Pintat.** — *(F)* Mr President, on behalf of the Liberal and Democratic Group, I propose that Mr Colombo be re-elected by acclamation.

**President.** — There being no other nomination, and if nobody asks for a vote, I think the European Parliament will wish to re-elect Mr Colombo by acclamation.

*(Applause)*

I therefore declare Mr Colombo President of the European Parliament. I offer him my congratulations on his re-election and invite him to take the presidential Chair.

*(Prolonged applause)*

## IN THE CHAIR : MR COLOMBO

*President*

*4. Address by the President*

**President.** — Ladies and gentlemen, allow me to express my deep gratitude to you for having kindly elected me, for the third time, President of our Assembly — and for the second time unanimously.

I must also thank you for the work we have undertaken together and for the solidarity and Community of purpose which, albeit within the diversity of our respective political positions, we have established amongst ourselves in the defence and furtherance of the prerogatives proper to our institution, in the course of the difficult and sometimes stormy development of Community life.

The trust which you have seen fit to renew in me places me under the duty of striving in the day-to-day conduct of affairs to give Parliament, through the support of you all, the efficiency necessary to the development of democracy in the Community.

Your vote places us all under a duty to persevere along the road marked out by the founders of the Community in our activities as representatives of the peoples of our countries, so that all the objectives — political, economic and social — set out in the treaties can gradually be achieved.

## President

We, the Parliament, centre and expression of Community democracy, are aware, albeit in our faithfulness to its ideals, that this democracy is still lacking in political, economic and social undertakings, and that, even now, not a few twilight areas must be dispelled.

We are being asked to strive for a larger measure of coherence between proclaimed ideals and accomplished objectives, right in the middle of a phase in which an economic crisis, unemployment — above all among young people and women, a new growth of violence and of terrorism, added to a diminished capacity on our part to unite ourselves more closely to overcome these evils, could precipitate society and its institutions into a crisis.

Understanding as we do to the full the grave problems surrounding the life of our Community, these nevertheless encourage us along our way to decisions like that adopted yesterday by the European Council and called for on many occasions by our Assembly of bringing into force a European Monetary System which would be at the same time both an instrument of monetary discipline and the premise and foundation of an organic renewal of the development of our economy without inflation.

In a few months, to be precise on 17 July next, our Parliament will meet in this very Chamber, changed in its composition, and as such the direct expression of the vote on 10 June.

On that day a very special and a long-awaited event will have been brought to fruition, to which our most illustrious predecessors dedicated their commitment and their energies.

For years our Parliament, with the active and effective assistance of the other institutions, has been committed to giving to the directly-elected and enlarged assembly the best conditions possible for it to carry out its work.

This is a duty which everyone of us has taken on and will continue to fulfil, and in which we feel ourselves morally united, in a way that transcends the differences in political attitude which are the very essence of our parliamentary democracy.

Allow me, therefore, strengthened by your trust, to express the wish :

- that the political parties involved in the forthcoming European electoral campaign will present the electorate with an objective, but living, image of the Community and its institutions, and will strive actively from this moment onwards, to put forward new ideas and to work our practical schemes for improving their operation and encouraging their progress ;
- that the governments of our countries will ensure full implementation of the provisions of the Act of

20 September 1976 relating to direct election by universal suffrage and will strive in the Council of Ministers to achieve progress in relations between our institutions so as to make their working more effective, with full respect to the role which is proper to Parliament under the treaties, as the institution representing the peoples of the Community and thus safeguarding its democracy and providing an impulse to Community development ;

- that the Commission of the Communities, pursuing and intensifying the line faithfully followed hitherto, will strengthen its link with, and its responsibility to, Parliament.
- But deepening our solidarity and European responsibility will necessarily impel, and we strongly urge,
- economic and social forces to develop their programmes and their legitimate claims not only in the now restricted context of national interests, but widening their scope to the European level ;
  - leaders of the press and television to strengthen their collaboration with Parliament in the vital area information and public opinion. To those of them who have consistently followed our work in this Chamber and outside of it we offer our sincere gratitude ;
  - all the citizens of our countries to realize the importance of European universal suffrage and, through the fullest possible participation in the vote of 7 — 10 June, to demonstrate their will to give this Community new faith : that, indeed, of their vote.

Stricken by a serious economic crisis, threatened in its energy sources, troubled by the crises and tensions which here and there threaten the peace, the Western world is looking to Europe and to its Community in the hope of seeing it ever more united and thus ever more ready and able to overcome the grave problems of the time.

But we know that it is also being looked to by the developing countries in Africa, America and Asia, convinced as they are of the scope of its potential — human, economic and political.

We hope that the European elections will represent for our continent a statement of faith in the process of unification and, for the world, a message of hope for peace, for development, for that liberty of the human individual which only parliamentary democracy can guarantee.

*(Applause)*

### 5. Election of Vice-Presidents

**President.** — The next item is the election of the Vice-Presidents of the European Parliament.

**President**

I have received from the political groups the following candidatures: Mr Spénale, Mr Meintz, Mr Scott-Hopkins, Mr Bordu, Mr Yeats, Mr Adams, Mr Deschamps, Mr Berkhouwer, Mr Zagari, Mr Lücker, Sir Geoffrey de Freitas and Mr Holst.

Since the number of nominations is equal to the number of places to be allotted, I propose that Parliament proceed to the election of its Vice-Presidents by acclamation.

*(Applause)*

I therefore proclaim the previously-named candidates elected Vice-Presidents of the European Parliament, in the order or precedence in which their names were read out.

I congratulate my colleagues on their election.

The composition of the new Bureau will be notified to the Presidents of the Institutions of the European Communities.

*6. Membership of committees*

**President.** — The next item is the nomination of members of the committees of the European Parliament.

The Presidents of the political groups propose that the existing nominations be renewed without change. I therefore propose to renew the nomination of the present members of the committees up to 16 July 1979.

*(Applause)*

I take note of the renewal of the nomination of these members by acclamation.

I also announce that the presidents of the political groups have proposed that the nominations of the present chairmen and vice-chairmen of the committees be confirmed.

In the circumstances, I propose that, as a derogation to the provisions of Rule 41 (1) of the Rules of Procedure, the President, chairmen and vice-chairmen of the committees shall remain in office until the first meeting of each individual committee in which chairmen and vice-chairmen are to be nominated.

Are there any objections?

That is agreed.<sup>1</sup>

*7. Documents received*

**President.** — I have received from the committees of Parliament the following reports:

- supplementary report by Mr Ripamonti, on behalf of the Committee on Budgets, on draft supplementary estimates No 1 of the European Parliament for the 1979 financial year (Doc. 683/78);

- report by Mr Ripamonti, on behalf of the Committee on Energy and Research, on Community participation in space research (Doc. 2/79);

- report by Mr Mitchell, on behalf of the Committee on Energy and Research, on the operation of the Euratom inspectorate with particular reference to the allocation of duties between the Commission of the European Communities, the Governments of the Member States and the International Atomic Energy Agency in respect of the inspection of fissile materials in the EAEC (Doc. 3/79)

*8. Urgent debate*

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

- seven regulations concerning the fisheries sector (Docs. 634/78, 643/78, 665/78).

The Council gives as reason for urgency the fact that the rules laid down in the aforementioned regulation cease to hold force after March and must therefore be extended;

- a regulation concerning interest rebates for certain loans within structural objectives (Doc. 633/78).

The urgency of this consultation is based on the fact that the Council has been asked by the European Council to consider this proposal by 1 April this year.

I have also received a request for urgency from the Committee on Budgets concerning

- a motion for a resolution on the application of Article 203 of the EEC Treaty (Doc. 682/78).

The reason for this request is given in the document itself.

Pursuant to Rule 14 (1a) of the Rules of Procedure, the vote on these requests will take place at the beginning of tomorrow's sitting.

*9. Order of business*

**President.** — The next item is the order of business. On 1 March 1979, the enlarged Bureau drew up the draft agenda which has been distributed.

Mr Bertrand, chairman of the Political Affairs Committee, has requested that Mr Johnston's report on the expulsion from Malta of Mr von Hassel (Doc. 584/78), included in the agenda for today's sitting, be referred back to committee.

This being a request by the chairman of the committee responsible referral back is of right, pursuant to Rule 26 (2) of the Rules of Procedure. The Johnston report is therefore withdrawn from the agenda.

The report by Mr Nyborg on construction products, which had been entered in the agenda for the sitting of Friday, 16 March, has similarly been withdrawn from the agenda because it was not adopted in the responsible committee.

<sup>1</sup> See Annex II.



**President**

On 5 March 1979, the Council of Ministers informed me that the Foreign Ministers meeting in political cooperation would not be able during the March part-session to answer Mr Fellermaier's oral question (Doc. 653/78), since it had not been submitted within the time-limits laid down in the Rules of Procedure. The Council therefore requests that this question be held over until the April part-session.

This question is therefore withdrawn from the agenda.

I call Mr Fellermaier.

**Mr Fellermaier.** — Mr President, at the meeting of the Bureau I made a point which I would like to repeat, following your decision that this item has been held over. My group very urgently desires that the President-in-Office of the Council himself should make a statement here as to why he does not feel himself able to answer this question — under the pretext that it was not tabled within the time-limit — after the Council has broken the promise given by the President-in-Office of the Council of development ministers at the Parliamentary Conference in Lesotho, when he gave an undertaking there that a report would be presented to Parliament at the beginning of this year on observance of the code of conduct for European Community firms active in South Africa. For this reason my group must insist that the President-in-Office of the Council himself states the reason here why this question cannot be taken during this part-session, although the European Parliament is simultaneously discussing the question of the code of conduct for firms operating in South Africa under the rubric of a report by its Committee on Development and Cooperation. This is the reason for my group's formal protest which is aimed at getting the President-in-Office of the Council to put this on the record himself.

**President.** — I call Lord Bruce of Donington.

**Lord Bruce of Donington.** — Mr President, I rise to ask you to clarify the position resulting from the announcement you have just made. Is a request by the Council of Ministers in itself sufficient to secure the postponement of items which Parliament itself, through its Bureau, has considered sufficiently important to include on the draft agenda? It seems to me, Mr President, that Parliament has its own rights in this matter. The group to which I have the honour to belong raises this matter as being of the utmost importance. So far no particular reasons have been given for the postponement of its consideration by the House.

**President.** — It is for procedural reasons, specifically for ones relating to time-limits, that the Council is asking for the answer to this question to be held over until the April part-session. However, it will be open to Mr Fellermaier, or another on his behalf, to ask, by means of the appropriate procedural instruments, for

what reason the Council of Ministers is seeking this postponement and to ask for the statement in the way mentioned by Mr Fellermaier in the Chamber here this morning.

The President-in-Office of the Council has requested that, provided the political groups are agreed, the debate on the statement of the meeting of the European Council in Paris scheduled for the sitting of Thursday, 15 March, should close at 4.30 p.m. at the latest.

Given that this debate will last for four hours and thirty minutes, I propose that the Thursday sitting be arranged as follows:

— from 10.00 a.m. until 1.00 p.m.:

statements and a debate on the meeting of the European Council;

— from 3.00 p.m. until 4.30 p.m.:

continuation and closure of the debate on the meeting of the European Council;

— at 4.30 p.m.:

voting time

The agenda of the sitting will therefore continue with Question Time and with the other items originally put down.

Are there any objections?

That is agreed.

I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.** — (D) Mr President, apologize for taking the floor in this first sitting to make yet another request for the addition of an item on the agenda. You will recall, Mr President, that at our sitting on 14 February, I said that we would be submitting a report on the political and technical guidelines for the 1980 budget just as we had done in previous years — and I would stress this point — independently of the document submitted by the Commission on the problems of the following financial year.

Since the Council is to hold its first political discussion on the structure of the 1980 budget on 4 April, this week's part-session will be Parliament's last chance to put its views in writing to the Council. These are contained in the Bangemann report. The Committee on Budgets and I myself were astonished to learn that at its meeting on 1 and 2 March, the Bureau did not include this report in the order of business but, to all intents and purposes, put it down for the April part-session. In practical terms, this would leave Parliament on the sidelines as far as its involvement in the 1980 budget is concerned as it would be unable to put its views to the Council. If I properly understood the remarks you made on the position of Parliament following your re-election, on which I would again offer you my warmest congratulations, this manner of proceeding cannot be in Parliament's

**Lange**

own interests.

I should therefore like the House to discuss and approve in the course of this week Mr Bangemann's report laying down Parliament's political and technical guidelines for budget policy in 1980 so that they can be borne in mind by the Council when it makes its political appraisal of next year's budget planning.

I therefore request you to include this item in this week's business. The Committee on Budgets' original idea was that it could be taken this afternoon following the Ripamonti report and the Shaw report as these are all matters which have to do with the budget. The Committee had also thought that the motion for a resolution submitted under the urgent procedure might also be included on the agenda if at all possible. You said earlier that a decision on urgency would be taken tomorrow, so I shall not harp on that point, but my main concern is that the Bangemann report should be taken sometime — I shall not suggest exactly when — during this part-session.

**President.** — Mr Lange, I thank you for the congratulations you have kindly offered me. As regards the request you have made, the Bureau has in fact proposed to consider this argument at the April part-session, reserving the right to take a decision on the basis of tomorrow's meeting.

However, since you are now proposing an amendment to the agenda, pursuant to Rule 12 of the Rules of Procedure, I will call one speaker in favour and one against and thus consult Parliament on the request.

I call Mr Fellermaier.

**Mr Fellermaier.** — (D) Mr President, it is very difficult to decide either for or against since the question cannot be put that way. One thing is clear, however, and that is that an in-depth debate on such a complex matter as the political guidelines for the 1980 budget cannot take place unless it is thoroughly prepared by the political groups. While I am confident that the members of the Budget Committee and especially its most active and capable chairman, have a full grasp of the subject, I must point out that we cannot discuss all those matters in trust as it were for the directly elected Parliament and that we must not have a debate confined to the budget spokesmen of the political groups but a political debate on the budgetary guidelines. I would therefore request that no decision be taken until the matter is discussed tomorrow by the Bureau in the presence of the Chairman of the Committee on Budgets and a consensus found.

**President.** — It appears to me that Mr Fellermaier is basically against the proposal to place this item on the agenda for the present sitting.

I call Lord Bruce of Donington.

**Lord Bruce of Donington.** — Mr President, I rise to support what my colleague Mr Lange has said in regard to this item. Regardless of the direct elections that are going to take place on 7 June and all the consequences that flow from that, the budgetary procedure of this Parliament has to continue. It is one thing that goes on quite irrespective of any changes in the political complexion or the personnel of the House that may eventuate from the direct elections. Now Mr President it may well be convenient to Council to put forward their meeting on the consideration of the guidelines of the budget for 1980 so that they will not get the views of the existing Parliament. Perhaps they may think that it would be much more convenient to them to present a *fait accompli* to those that follow us after June, but I suggest that it would be for the far greater convenience of Parliament and more consistent with its traditions of Parliament were given an opportunity of discussing the guidelines before the Council comes to consider them. The Council will then be deprived of the excuse of saying to the new Parliament, well, of course, your former colleagues had no opportunity of discussing this. Therefore, Mr President, I respectfully submit that the motion put forward by my colleague Mr Lange ought properly to receive the support of this House.

**President.** — I consult Parliament on Mr Lange's request.

The request is agreed to.

I propose that Mr Bangemann's report be placed on the agenda for the present sitting, after the report by Mr Shaw.

Are there any objections?

That is agreed.

The agenda will therefore be as follows:

*Today until 8.00 p.m.:*

- procedure without report
- Ripamonti report and supplementary report on draft supplementary estimates No 1 of the European Parliament
- Shaw report on the Financial Regulation of 21 December 1977
- Bangemann report on budgetary guidelines for 1980
- Amadei report on the accession of Greece to the Community
- van Aerssen report on a recommendation from the EEC-Turkey Joint Parliamentary Committee

The Johnston report on the expulsion from Malta of Mr von Hassel has been withdrawn from the agenda.

*3.00 p.m.:*

- Question Time (questions to the Commission)

*3.45 p.m.:*

- Voting Time

## President

*Wednesday, 14 March 1979, 10.00 a.m. and afternoon until 8.00 p.m. and possibly 9.00 p.m.:*

- possibly, continuation of the previous day's agenda
- Liogier report on agricultural prices
- oral question with debate to the Commission on relations between China and the Community
- oral question without debate to the Commission on agricultural production costs
- oral question without debate to the Commission on tomatoes
- oral question without debate to the Commission on the workings of the Commission

*3.00 p.m.:*

- Question Time (by way of exception, questions to the Commission)

*3.45 p.m.:*

- Voting time

*Thursday, 15 March 1979, 10.00 a.m. and afternoon until 8.00 p.m. (possibly until 9.00 p.m.):*

- vote on draft supplementary estimates No 1 of the European Parliament
- statements on the meeting of the European Council in Paris, followed by a debate
- joint debate on two questions, one to the Council and the other to the Commission, on the European Monetary System
- oral questions with debate to the Commission and Foreign Ministers on international summit meetings
- oral question with debate to the Council on the common agricultural policy
- oral question with debate to the Council on the protection of the Rhine

The oral question with debate to the Foreign Ministers on subsidiaries in South Africa has been withdrawn from the agenda.

- Lagorce report on the code of conduct for companies with subsidiaries in South Africa

*4.30 p.m.:*

- voting time
- after voting time, Question Time (by way of exception, questions to the Council and Foreign Ministers)

*Friday, 16 March 1979, 9.00 a.m.:*

- Procedure without report
- Voting time
- Noè report on thermonuclear fusion
- oral question with debate to the Commission on confiscation of political material
- Lamberts report on indication of energy consumption of domestic appliances
- oral question without debate to the Commission on Gravelines and Manom nuclear power stations

The Nyborg report on construction products has been withdrawn from the agenda

- Lezzi report on food aid
- Fletcher-Cooke report on hijacking
- oral question with debate to the Commission on asbestos
- oral question with debate to the Commission on health protection
- Albers report on safe containers (without debate)

*End of sitting:*

- Voting time

Are there any objections?

That is agreed.

I call Mr Fellermaier.

**Mr Fellermaier.** — (*D*) Mr President, on behalf of my group I would request an adjournment before the Bangemann report is taken so that the political groups can confer. I propose an adjournment of 45 minutes so that the political groups can meet.

**President.** — Mr Fellermaier, you know perfectly well that a suspension of 45 minutes means the subtraction in equal time from the period available in getting through the agenda. I therefore ask the presidents of the groups to reduce the time available to them for getting through each of the various items on the agenda, or otherwise we will not be able to complete our work.

The House will rise.

*(The sitting was suspended at 11.00 a.m. and resumed at 11.55 a.m.)*

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

#### 10. Limitation of speaking time

**President.** — Pursuant to Rule 28 of the Rules of Procedure, I propose to limit speaking time as follows:

- debate on the Liogier report on agricultural prices
- |   |            |
|---|------------|
| Rapporteur :                                    | 30 minutes |
| Draftsmen of opinions :                         | 45 minutes |
| Commission and Council (possibly) :             | 60 minutes |
| Socialist Group :                               | 78 minutes |
| Christian Democratic Group (EPP) :              | 64 minutes |
| Liberal and Democratic Group :                  | 34 minutes |
| European Conservative Group :                   | 29 minutes |
| Communist and Allies Group :                    | 29 minutes |
| Group of European Progressive Democrats :       | 26 minutes |
| Non-attached Members :                          | 10 minutes |
| Comments of the rapporteur and the Commission : | 60 minutes |

**President**

- debate on the statements by the Council and the Commission on the meeting of the European Council in Paris

Commission and Council :	60 minutes
Socialist Group :	65 minutes
Christian-Democratic Group (EPP) :	53 minutes
Liberal and Democratic Group :	26 minutes
European Conservative Group :	21 minutes
Communist and Allies Group :	21 minutes
Group of European Progressive Democrats :	19 minutes
Non-attached Members :	5 minutes

As usual, I propose to Parliament the following limitation of speaking time for all other reports and motions for resolutions on the agenda :

- 15 minutes for the rapporteur and for one speaker on behalf of each group
- 10 minutes for other speakers.

Members of Parliament will of course remember that with a view to a certain reorganization of our work and, above all with a view to achieving the aim of not prolonging the evening session beyond a certain time, the President has been authorized to discipline the duration of speeches in conformity with these arrangements.

*11. Deadline for tabling amendments*

**President.** — I remind the House that the deadline for tabling amendments to the supplementary draft estimates No 1 of Parliament for 1979 has been set at 10.00 a. m. on Wednesday, 14 March 1979.

I propose that the deadline for tabling amendments to the Liogier report on agricultural prices be set at the same time, on the same day.

Are there any objections ?

That is agreed.

*12. Procedure without report*

**President.** — Pursuant to Rule 27A (5) of the Rules of Procedure, the following proposals by the Commission to the Council have been placed on the agenda for this sitting for consideration without report :

- proposal from the Commission of the European Communities to the Council for a decision amending Decision 76/557/EEC regarding the inclusion of certain disaster-stricken communes in Italy among the mountain areas, within the meaning of Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas (Doc. 610/78),

which has been referred to the Committee on Agriculture as the committee responsible and to the Committee on Regional Policy, Regional Planning and Transport for its opinion ;

- proposal from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for certain wines having a registered designation of origin, falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Morocco (1979/1980) — (Doc. 614/78),

which has been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture and the Committee on Development and Cooperation for their opinions ;

- From the Commission of the European Communities to the Council for a directive establishing measures for the implementation of Directive 77/489/EEC on the protection of animals during international transport (Doc. 620/78),

which has been referred to the Committee on Agriculture ;

- proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No 136/66/EEC on the establishment of a common organization of the market in oils and fats (Doc. 631/78),

which has been referred to the Committee on Agriculture ;

Unless any Member asks leave to speak on these proposals, or any amendments are tabled to them, before the opening of the sitting on Friday, 16 March 1979, I shall, at that sitting, declare these proposals to be approved pursuant to Rule 27A (6) of the Rules of Procedure.

*13. Supplementary draft estimates No 1 of Parliament for 1979*

**President.** — The next item on the agenda is the report (Doc. 641/78) and supplementary report (Doc. 683/78), drawn up by Mr Ripamonti on behalf of the Committee on Budgets on

the draft supplementary estimates of revenue and expenditure of the European Parliament for the 1979 financial year, No 1

I call Mr Ripamonti.

**Mr Ripamonti, rapporteur.** — (I) Mr President, ladies and gentlemen, with the resolution approved at the October part-session it was decided to modify Parliament's establishment plan and estimates for the current financial year by creating 93 permanent posts (frozen) to cater for the immediate requirements of the directly elected Parliament with 410 instead of 198 members and for the need to ensure operational continuity, and by increasing expenditure.

## Ripamonti

You will remember that it was also decided to adopt a rectifying or supplementary budget early this year, further modifying the establishment plan and the estimates of expenditure on the basis of the Bureau's proposals and the decisions required under Rules 49 and 50 of the Rules of Procedure.

The motion for a resolution tabled by the Committee on Budgets, together with the supplementary report approved at last night's meeting pursuant to the decision adopted by the enlarged Bureau at its meeting on 1 and 2 March — acting in accordance with Rule 50 and taking into account the provisions of Rule 49 (3) — modified the proposals initially submitted by the Committee on Budgets; this resolution contains the supplementary draft estimates of the European Parliament for 1979, which amount to 30 630 995 EUA broken down as follows :

— expenditure 31 326 995 EUA

— revenue 696 000 EUA

The 1979 budget now totals 145 530 700 EUA, an increase of 27.4 % over the initial figure. The increases proposed in Title I, Chapter 10, amounting to 5 668 200 EUA, cover the adjustment of members' travel and subsistence expenses and the secretarial allowances (as a result of the increase from 198 to 410 Members). Staff expenditure in Chapters 11-14 has been increased by 5 271 500 EUA. As far as the proposed addition of three A 1 posts to the establishment plan is concerned, no changes have been made in the estimates in that the reserve fund is adequately endowed and the newly elected Parliament can make transfers from it in order to cover any requirements that may arise. Operating expenditure under Title II and in Art. 142 and 143 have been increased by 4 492 400 EUA. In Title III, Art. 370 and particularly Item 3705, 'Contribution to secretarial expenses of the political groups', appropriations have been increased by 921 295 EUA. The provisional appropriations in Title 10, Chapter 100, to cover the fitting out and equipment of new offices in Luxembourg, Brussels and Strasbourg as well as the refund of expenses to directly elected members, have been increased by 12 000 000 EUA. In Chapter 101 the reserve fund has been increased by 2 973 600 EUA. You will note that of the total increase of 30 630 995 EUA, 14 973 600 EUA, or 48.88 %, are provisional appropriations earmarked for reserves. Initially set at 16 858 400 EUA, these reserves are now to be increased to 31 832 000 EUA which the directly elected Parliament can use to make any adjustments that prove necessary.

As far as the establishment plan is concerned, the Committee on Budgets took the view that while the structural modifications spelt out in the proposals made by the Directors-General and in the Secretary-General's report would likely prove necessary, it was for the directly elected Parliament to take a decision

in the matter. A full survey of the modifications to the establishment plan and the accompanying proposals will be found in Document PE 56 952/rev. 2 and the justifications are provided in the explanatory statement attached to the motion. It should be stressed that the Committee on Budgets followed the lines of the decisions adopted by the House last year and it should also be pointed out that when we approved the draft estimates for 1979 last June, the increase of 182 posts was made entirely with reference to the requirements stemming from the normal development of parliamentary activity and did not allow for the increase in the number of members. I would also remind you that the 93 posts created pursuant to the amendment approved by Parliament in its sitting of 25 October 1978 were simply a first instalment towards meeting the new requirements which the Bureau considered directly related to the problems involved in preparing for the initial phase of operation of the newly elected Parliament, and that the final arrangements were to be decided in the supplementary budget.

When it originally looked at the problems of the establishment plan, the Committee on Budgets decided not to make any structural modifications, but at last night's meeting, this decision was partly revised following the decision of the Bureau — referred to in the supplementary report — to confirm its decision of 1 and 2 March, and three A 1 posts have been created for Deputy Directors-General in the Directorate-General for Sessional and General Services, the Directorate-General for Committees and Interparliamentary Delegations and in the Directorate-General of Administration, Personnel and Finance.

The Committee on Budgets also decided that the new posts should be created in two stages as follows : posts required immediately for the initial period of operation : 107 plus 2 temporary posts ; reserve posts : 185 plus 3 A 1 (i.e. 188) to be frozen, thus allowing the new Parliament elected on 10 June to cater for new requirements without having to introduce a new supplementary budget, a procedure which would not make it possible to make up the establishment plan during the six months following the election. In this way, the directly elected Parliament will be in a position to decide on the new establishment plan and to make any additions when and how it wishes, bearing in mind the terms of the Staff Regulations and taking account of whatever requirements arise.

I would point out, Mr President, that with the decisions we adopted last year and this year, the establishment plan has been increased as follows : on 1 January 1978 there were 1 540 posts and last year we decided on 142 new posts as part of normal development, raising the total number to 1 682, an increase of 9.2 %, which was lower than the 12 % increase decided in 1977 for the year 1978. Coming to the

**Ripamonti**

posts created for the initial period of operation of the new Parliament, if we add the 93 posts decided on in October to the 107 plus 2 on which we are to take a decision today, we arrive at an increase of 202 posts, almost 12 %, and a total figure of 1 884.

If the directly elected Parliament were to take up all of the 188 frozen posts — but as I explained a moment ago, the freeze will allow a debate in the House on the new establishment plan — the total would reach the figure of 2 072 ; if, then, the 390 new posts, i.e. those created today and those which have been frozen, are all taken up, the increase in staff will be 23·18 %, compared with the increase in the number of members from 198 to 410, in order to meet the operation requirements of the new Parliament.

In addition, 8 posts have been added to the reserve list for the political groups.

The Committee on Budgets considers that its proposals are consistent with the need to ensure that the European Parliament runs smoothly and that the directly elected Parliament is guaranteed autonomous powers of decision and can adjust the establishment plan if this is deemed to be necessary and advisable.

As rapporteur, I owe a word of sincere thanks to the Secretary-General, the Directors-General, the Secretariat of the Committee on Budgets, and particularly Mr Guccione, and to the Committee itself and its staff, for their cooperation throughout the difficult procedure whereby the draft supplementary estimates are adopted by the Bureau pursuant to Rule 50 (2) and drawn up by the Committee on Budgets under Rule 50 (3).

I hope that the House will vote in favour of the motion for a resolution tabled by the Committee on Budgets and the supplementary report.

**President.** — I call Mr Klepsch to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Klepsch.** — (*D*) Mr President, ladies and gentlemen, on behalf of my group, I should first like to thank the rapporteur, Mr Ripamonti, most sincerely for the work he has done and for the balanced judgement he has shown in what was an extensive and difficult task. I should also like to thank the Secretary-General and all those who had a hand in the comprehensive studies that were required by way of preparation.

The supplementary estimates have an importance which cannot be too highly appreciated. We wish to allow the newly elected Parliament to get off to a proper start and to give it scope to arrange its affairs from the very outset in the manner it sees fit. We are aware that there is an unfortunate discrepancy

between the hopes which public opinion places in the newly elected Parliament and the arrangements under which it will work. Whether we like it or not, the fact remains that where the status and work of the future European MPs are concerned, the arrangements made are not what we as the outgoing Parliament would have liked to see. The fault lay not with ourselves but in the problems which the Council had and still has. The new Parliament will therefore have to contend with a whole range of difficulties, which is why we believe — and my group strongly supports this — that we should help the new Parliament to get off to a good start at least in those areas in which this Parliament can do something — and this is what the draft estimates were intended to achieve.

When I said that there was an unfortunate discrepancy between the hopes that have been raised and the arrangements that have been made so far, I was thinking of the following points which I should like to make quite clearly. The directly elected Parliament is expected to provide a fresh impetus to the policy of unification. At the same time, however, there is the hope that the flow of information between Parliament and the electorate will improve and that — with the removal of the burden of the dual mandate — efforts will be made to organize public relations activities in such a way that there is a steady two-way flow of opinion and information. Finally, the public hopes that the work done in the various specialized sectors by the individual committees will be coordinated with the work done by the national parliaments ; the whole process in which opinions are formed and decisions are reached will confront the 410 members — and the increase from 198 to 410 is not simply a numerical increase — with a task which will raise major problems for the new Parliament. We look to them to carry out all of those tasks and it is therefore our duty to pave the way for them as best as we can. I should like to convey our most sincere thanks to the Committee on Budgets, particularly to our rapporteur, Mr Ripamonti, and to all those who have been involved. I should like to thank them for attempting to make the best of the situation without leaving the impression that their views went too far. I believe we can say that they have succeeded. My group fully supports the report tabled by Mr Ripamonti and I hope that the measures introduced will be the first in a series that will help the directly elected Parliament to discharge its duties.

*14. Order of business*

**President.** — This morning, following a proposal by Mr Lange, we placed on today's agenda the report by Mr Bangemann, to be taken after the report by Mr Shaw.

**President**

More careful consideration of our order of business leads us to propose that the Bangemann report be debated at the beginning of the sitting.

Are there any objections?

That is agreed.

15. *Supplementary draft estimates No. 1 of Parliament for 1979 (continued)*

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

**Mr Brøndlund Nielsen.** — (DK) Mr President, the Liberal Group, on whose behalf I am speaking now, takes a critical view of the proposals in this report by Mr Ripamonti, although we do of course appreciate the work he has put into it.

The report proposes a substantial expansion of Parliament's staff, and, as Mr Ripamonti himself has already mentioned in debate, we have discussed proposals for expansion twice in 1978. We feel it would be better to let the new Parliament itself decide how much extra staff it requires. As has been said, there would be a certain delay before the staff could be taken on, and it will probably take six months before the new Parliament has found its feet, and can take an overall view of its tasks. We therefore feel that it would be proper for the new Parliament to decide on this matter, and that it would be inadvisable to expand Parliament's staff as rapidly and substantially as we are progressively doing.

If there is to be such a major increase in staff I think we should query the organizational structure on which it is to be based. Is it right simply to carry on with the existing structure? This is not to criticize the service we as Members of the European Parliament receive from our officials, quite the contrary. In my experience we get excellent service, but when I see those grades A, B, C, 1, 2, 3, 4 etc. I feel we should stop and ask whether this in all respects is the right arrangement. One can query the hierarchical structure itself, and question the economic aspect, the widely differing pay received by these various grades. Of course, I do not think there could ever be a situation where everyone had equal responsibilities and equal pay. I regard such ideas as simplistic, but there is room for discussion of their distribution. If we first consider administrative structures, it is obvious that, for practical reasons, many operations require a hierarchy with a clear channel of command, while in other types of operation a more modest structure might be preferable, especially in a parliamentary administration, where we frequently have to cope with new problems and approach old problems from new and possibly unorthodox angles. The best way might be to make more use of working parties, perhaps only set up for a certain time, but with specific assignments. We could perhaps use an English expression

and describe them as task forces — of course in the framework of a good organization. I am asking whether we could not apply modern management concepts within the European Parliament.

In this context, I feel we should also consider bringing more people in from outside Parliament to perform specific tasks. For example, we could take people from universities and the like, where research is being carried out, and groups of people with experience in the private sector, and perhaps individuals with interesting ideas. But of course these new organizational concepts would have repercussions on both the structure of the services affected and the number of staff directly employed by Parliament.

Turning to the economic aspect, I feel that the income differentials are too great. As I have already said, I am not suggesting that everyone should receive the same, but I do feel that in an efficient organization there should be a limit to the amount of credit for results ascribed to individuals, and the extent to which salaries can be differentiated accordingly. I thus feel that there will always be differences — there should be differences — but that in the present structure of the EEC administration, they are too great. Feeling in my country on this matter been aptly put by our great poet Grundtvig, who said that 'We shall have gone a long way towards achieving prosperity when few have too much and fewer too little'. I would be a little reluctant to stress the example of Denmark, as perhaps there the reward even for doing nothing has come so close to earning for quite demanding work as to dampen initiative and diligence. However, I do feel that we could work towards less inequality in the Community institutions. I am of course aware that higher wages have to be paid to obtain staff and to persuade them to leave their native countries to take employment in a foreign country, even though it is within the Community. Indeed, experience in my own country has shown the difficulty of persuading people to work for the Community, even where there are unemployed people with qualifications that could enable them to take work here. All the same, I wish to raise these fundamental points today, as we are discussing such a massive increase of Parliament staff within the existing structure. We know too that the high wages in the Community play a substantial role. I do not wish to attack the Members of the Commission here, but we recall that, for example, there were discussions of salaries for the directly-elected Members of the European Parliament, and there was talk of paying them 60 % of a Commissioner's salary, and then 40 %; but, however presented, the figures were so high that there was an outcry throughout the Community, even though the last figure was less than half a Commissioner's salary. This tells us something about certain salary levels, and I feel that the matter needs looking into.

**Nielsen**

I now turn to the additional proposal put to the meeting yesterday for three 'A I' or Deputy Director-General posts. We in the Liberal Group take a most unfavourable view of this proposal. I myself find its adoption hard to credit. I arrived at 11.45 a.m. for the resumption of the sitting, to find a note inviting me to a meeting of the Committee on Budgets at 6.00 p.m. on Monday, 12 March 1979. Well, thanks for telling me that the meeting had been held. As far as I could see, there was not even any hint that the creation of three posts was to be discussed. We have no choice but to make a formal protest against it, we see no reason for it, and we oppose these supplementary draft estimates.

Some may take a different view, but, in the opinion of the Liberal Group, this proposal for an increase in staff is far too uncritical. We feel it would be wrong to increase the establishment now, before examining in detail the work to be done. Let the new Parliament itself plan its work and decide on a form and let us — if there is to be an increase — pay far more attention to organizational structure, the pattern of work and the financial side of appointments. I can therefore announce on behalf of the Liberal Group, with — as I said before — certain exceptions, or rather one exception, that we oppose this report.

## IN THE CHAIR : MR HOLST

*Vice-President*

**President.** — I call Mr Shaw to speak on behalf of the European Conservative Group.

**Mr Shaw.** — Mr President, I shall speak very briefly, but I have one or two important things that I want to say on behalf of my group about this very important report. Of course, the first thing I want to say is how much we appreciate the work that has been done by Mr Ripamonti in preparing this report. A tremendous amount of work has gone into it over a considerable period of time, and we are indeed grateful to him for what he has done.

I was not originally going to speak — I was hoping that we might all agree and get through with it quickly — but there has been a divergence of opinion coming through the debate and therefore I felt that I had to say a few words. I entirely agree that we must make sure before the direct elections that we do not create a number of posts which, when the experience of the new Parliament has been seen and understood, are found to be either excessive or in some way unnecessary, or perhaps to have gone into other spheres of activity than the ones in which we placed them. This, I believe, is something that we must resist doing at this time, and I agree entirely that as far as possible we should leave the creation of these posts to our successors, the directly-elected Parliament.

On other hand, I do feel that we should be neglecting our duty if we did not make sure that adequate services were available for the directly-elected Parliament when it took office. That, I think, has been our purpose throughout our discussions, certainly in the Committee on Budgets, and, I have no doubt, in the Bureau too. This is what we have sought to do: namely, to make sure that they were not hampered at the outset of their work by a lack of proper staff.

Further than that, if we create posts, we should block them, and that is again what we have sought to do. And so I make the first of two points: in blocking the posts that we have created — and if we look at paragraph 2 of the motion, where that is set out — I want to make it quite clear on behalf of my group that when we say in that paragraph that it will fall to the elected Parliament to release these posts according to its requirements, we understand that quite clearly to mean that it falls to the elected Parliament to release or not to release them as the case may be. There is nothing there to imply that the creation of these posts is to be automatic and I hope that that is quite clear, because otherwise we are in danger of creating a vast empire and it may well be that, through the wrong inferences being drawn, the newly-elected Parliament is led into the path of creating these new posts before they have had a chance of really understanding what their real needs are.

My final point is this, I believe that the directly-elected Parliament may well feel that there is a need for a more permanent and a more concerted scrutiny of staff arrangements than exists at the moment. There has been a danger, I have noticed, of the Bureau and the Committee on Budgets not always seeing completely eye to eye on this matter, and one or two people might perhaps get together, either informally or by way of some committee or other, to keep a close watch on this so that the experience gained from year to year was added to the experience of the committee as a whole and not left to a new rapporteur to pick it up each year, which must make his task, as I am sure it has done this year, that much more difficult.

I hope that that will be given due consideration. After all, they will have many more people to share the tasks around when the directly-elected Parliament meets, and I believe this is one of the activities which they could allocate a certain number of Members to specialize in.

So, with those few words, Mr President, I should like once again to give any support and my thanks to our colleague, Mr Ripamonti, for the hard work that he has done in preparing this report.

**President.** — I call Mr Dalyell.



**Mr Dalyell.** — Mr President, Mr Nielsen and I have not always seen eye to eye on issues that have arisen in this Parliament, but I must say that I share the misgivings that he expressed in his speech.

Mr Ripamonti and the Committee on Budgets have been in something of a dilemma in drawing up this report on the supplementary estimates for the European Parliament for 1979. On the one hand, quite naturally, they wish to ensure that there are sufficient staff to permit the new Parliament to function. That is understood: the new Parliament will have double the number of Members, and many of them will be full time. On the other hand, they do not want to take decisions which will preempt the rights of the directly-elected Parliament to decide on its own structure and organizational methods. But here we come to the difficulty. Might I remind the House that last June we added to our establishment plan around 150 new posts. In October, we added a further 93 new posts, and it is now proposed to add for immediate use 107 permanent and 2 temporary posts and, in a reserve to be released by the directly-elected Parliament, 188 further posts. Now the arithmetic is that in less than twelve months we shall have added to our own establishment plan a total of over 500 posts, which is an increase of one-third.

If I may say so to Mr Shaw, it is all very well to say that we have to ensure adequate services for the new Parliament and that, of course, the newly-elected Parliament will make up its mind one way or another, that they won't be — I think this is the word he used — led into anything. All I can reply to that is that, you know, it is a little difficult for newly-elected people — very few of whom will have the experience that we have accumulated over the last three or four or more years — to come to decisions before they know their own needs. I just do think that Mr Shaw is being very unrealistic, given the nature of the new Parliament: the safeguards that he thinks are being built in simply will not be.

I sometimes think that if we were as strict with ourselves as we are with the Commission when it asks for new posts — I don't interpret the looks exchanged by Mr Tugendhat and Mr Strasser, but after the last three or four years of wrangling that the Committee on Budgets has gone through on often comparatively small numbers of posts for the Commission, I really think that we have to look at the mote in our own eye — we should, perhaps, end up with a more streamlined organization. When the Commission asks for extra officials, it has its requests subjected to a most thorough dissection by Council and by Parliament, and I add for the record the fact that in the last few years it has rarely exceeded 100 extra posts in any year despite the new tasks that are given to the Commission. So the requests for Parliament really do have to be seen in the light of the attitude that we ourselves have taken towards the Commission.

Now, it is of course true that this year is exceptional for the European Parliament, and it is perfectly appropriate that the technical assistance we have provided by translators, secretarial help, ushers, drivers, etc., should be substantially increased; but when it becomes a question of senior administrative staff, I think we should be a little more wary. First of all, how can we be happy with this notion of a reserve of posts to be released by the directly-elected Parliament? The fact is that we have already indicated the exact functions for each of these posts, and this seems to me to dilute the notion of a reserve. Secondly, we really must be under no illusions: if we create the budgetary and administrative possibilities for extra jobs, the directly-elected Parliament will release them and release them quickly, because all kinds of pressures will be built up on it so to do. Since Mr Shaw is here, I would just commend this as a very realistic man: Mr Shaw must know precisely the nature of the newly-elected — I do not say green, but newly-elected-Members of Parliament.

I do not think that in proposing posts at the administrative level we are adhering to our undertaking not to prejudge the decisions of the directly-elected Parliament. For example, if you take the committee service, it is proposed to create 14 new posts for administrators in this reserve. What is the thinking behind this? On the basis of what number of committees is this proposal made? Given the delays in recruitment that will take place in any case, could we not have waited until the 1980 procedure, which will be beginning in a couple of months in any case? I would rather like to have Mr Tugendhat's comment on that point. Why could it not have waited, in heaven's name? After all, it is only two months: why are we being stampeded into all this?

The most difficult of all for me to accept is the proposal to create three extra posts of Deputy Director-General, one for committees, one for general services and one for administration. First of all, let us be absolutely clear: this is a structural change which will have very serious consequences. If we are creating Deputy Directors-General in three Directorates-General, won't this lead us inevitably to create the equivalent posts in the other Directorates-General? Won't this leave the directly-elected Parliament with a notion of creating posts of Deputy Director, then — what? posts of Deputy Head of Division, etc.? Is not this multiplication of senior posts designed more or less to advance the careers of certain individuals rather than to meet functional needs — exactly the sort of thing we criticized, as the Committee on Budgets, in the Commission? We are very much in the position of that pot which called the kettle black. I think it is a matter of some embarrassment that we ourselves should be doing the very thing that endless sittings of the Committee on Budgets have been criticizing the Commission for doing.

**Dalyell**

What possible reason can there be for such new creations now? None of the organizational and structural difficulties that the directly-elected Parliament is likely to encounter seem to me to be in any way alleviated by the creation of more field-m Marshals and generals at the expense of foot-soldiers.

One final point. One particular service seems to have missed out on this general largesse, and that is the Directorate-General for Research and Documentation, where it is proposed to create no new extra posts immediately. The claims of this service seem to me to be just as strong as those of other Directorates-General. This discrimination, if it be such, seems particularly difficult to justify, because some of us might have thought that the one area where more help is needed — given the new situation — is precisely that of research and documentation. How does anyone justify the fact they, of all people, have been left out?

**President.** — I call Lord Bruce of Donington.

**Lord Bruce of Donington.** — Mr President, when the Committee on Budgets met on 22 February and considered the supplementary estimates, it had a reasonable supposition that the report that was going to be published, Doc. 641/78, represented the definitive and final view of the Committee on Budgets, and before I go any further I would like to join my colleagues in commending Mr Ripamonti on this particular document, which has been drawn up with his customary diligence, and which he presented to us in the Budgets Committee with great persuasiveness.

I go along with much of what has been said by my colleague Mr Dalyell concerning the staff expenditure that is envisaged. I don't, however, quite share his degree of pessimism, particularly following the stipulations that were laid down by Mr Shaw concerning the 'block votes', which, I am quite sure, the newly-elected Parliament will bear in mind. My reason for not quite sharing Mr Dalyell's pessimism is that on present information it would seem very likely that a very large proportion of those Members of the House that have the honour of sitting here at the moment will in fact be returned after the direct elections. This may not be the case so far as the British component is concerned, but our colleagues from other nationalities and indeed other political persuasions are likely to be quite heavily represented in the new Parliament and I am quite sure that they will bear in mind the admonitions that Mr Shaw has made concerning the true use of the term 'block vote'.

My misgiving centres on the submission by Mr Ripamonti today of Doc. 683/78, which is a supplementary report drawn up by the Committee on Budgets despite the fact that on 22 February last it thought that it had parted with the whole thing. Perhaps I ought to explain that this is entirely due to the Bureau's exercising its right under Rule 49 (3) itself to

determine the staff structure and their regulations on behalf of the Parliament. The Committee on Budgets reached its considered decisions on 22 February, but the Bureau wanted to go much further than the Committee on Budgets.

Now there are two ways of dealing with this situation. Under the provisions of Rule 49 (3), it would have been perfectly in order for the leaders of the political groups comprised in the Bureau to table an amendment to the report and the resolution submitted by Mr Ripamonti under Doc. 641/78. This would have enabled Parliament to consider the difference of view that had emerged between the Budget Committee, which considers these matters very carefully all the year round, and the Bureau and then Parliament could have made up its own mind. The Budget Committee, as is well known, applies itself with considerable diligence all through the year to these matters, and it passed its report and resolution on the basis of very original supplementary estimates presented to it. In this particular case, what happened was this: the Bureau used its influence to persuade the Committee on Budgets to amend the decisions it had already arrived at. I do not consider this a very straightforward way of going about it, because it gives the impression in Parliament that the Budgets Committee essentially associates itself technically, financially and in every other way with the decisions of the Bureau. In this case it did not. Now there is no reason why Parliament should not support the Bureau's amendments, and political groups have their own ways of enforcing their own particular discipline. I therefore object to the way in which this operation has been carried out, because my four years' experience in the European Parliament has led me to the conclusion that if there is going to be a continuation and enlargement of democracy in Europe, one place where the rights of back-benchers and of the Parliament as a whole must be protected is in the European Parliament itself.

Mr President, I will not continue because I see that we are getting near the time, but I should perhaps announce to the House that for the reasons I have given I shall seek to persuade as many of my colleagues as possible to vote against the amendments to the motion for a resolution which have been incorporated in Doc. 683/78.

**President.** — I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.** — (D) Mr President, ladies and gentlemen, I shall not let this occasion pass without commenting on the extraordinary efforts which Mr Ripamonti, the rapporteur, has made since the middle of last year when the preliminary draft budget for 1979, including Section I, i.e. Parliament's budget, was submitted. I shall not attempt to guess how much time he has spent in discussions with the administration, the Secretary

## Lange

General, the Director-General and also with the Directors responsible for the normal budget and the supplementary budget.

It is of course extraordinarily difficult for a rapporteur and a committee — in this case the Committee on Budgets — to judge whether the increase from 198 to 410 members in the directly-elected Parliament makes it necessary to create any one particular post. Last year, when we came to discuss the 1979 budget, we agreed — and the Bureau and the Committee on Budgets shared our view — that everything should be done to ensure that the new Parliament could function properly but that we should beware of making structural changes that should be left for the 410 directly members to decide.

It was somewhat difficult to stick to this position. Both the Bureau and the Committee on Budgets originally reached the view that only Category C and D posts were crucial from the operational point of view. Adjustments in the number of Category A and B posts would have brought about structural changes which we wished to leave to the 410 directly-elected members.

But as time went on, it became clear that it was not all that easy to leave out Category B posts entirely. We therefore made one or two very careful adjustments to the Category B posts following a compromise reached, but not approved by all members, in the Committee on Budgets.

It should be observed at this point that there was a constant risk of conflict between the Bureau and the Committee on Budgets because some members of the Bureau came to take up views which went beyond the original agreement and would have clearly implied structural changes. The Bureau would then have referred — as Lord Bruce explained earlier — to its responsibilities for staffing and staff structure under Rule 49 of the Rules of Procedure, whereas the Committee on Budgets is required by Rule 50 to submit proposals for the budget and any supplementary budget to the House. It is a fact — and I should like to emphasize the point quite strongly — that the Committee on Budgets must discharge its responsibilities in the matter of budget policy and budgetary regulations independently of the Bureau. It must guard against yielding to any pressure, whether strong or weak, to act in one way or another.

Whether a political conflict between the Bureau and the Committee on Budgets will actually be allowed to come before the House is, of course, another question. This question is one which need not arise if the Bureau, which at a subsequent stage, becomes the executive organ — it is the President who implements the budget — behaves as an executive organ and does not involve itself in the preparation of the draft budget. Speaking to those members who are

concerned on this score — this applies to Mr Nielsen as well as to Mr Dalyell — I would first stress what Lord Bruce said and add that some of those in the present Parliament who have budgetary responsibilities will doubtless be able to give the new Parliament the benefit of their experience.

I cannot imagine that the 410 members will view matters any less carefully and critically than the 198 have tried to do although, of course, individual's views may differ on requests made by the administration and not every compromise is approved by all members of the Committee on Budgets. That is an open secret and a matter of course.

I would add the comforting thought that in the past, we have always sought to obtain from the administration an exact picture of the workload with which individual officials are required to cope. We have never had a document that covered the subject down to the last detail and the Secretary-General himself has told us often enough that it is an extraordinarily difficult task. I hope that in future, it will be taken over by the Court of Auditors as the body responsible for checking that administrative management has been sound. In this way, the new Parliament will, I hope, in the not too distant future, in other words in 1980 or 1981, have a picture that shows how economically our administration really works and how the individual posts are allocated. I feel that we need this in order to have objective standards by which we can assess the performance of our administration.

In approving these supplementary estimates for 1979, I believe that we should remember that it is our duty to guarantee that the directly-elected Parliament can function smoothly — even if opinions vary on the point at which this guarantee is provided — in order to avoid any criticism that we did not do enough to enable the 410 new members to take over their new duties properly. This involves a measure of risk and each of us, ladies and gentlemen, must accept it according to his or her own lights and political possibilities and intentions.

**President.** — I call Mr Spénale.

**Mr Spénale.** — (*F*) Mr President, the only point on which at one stage there was a difference of opinion — which has now been cleared up — between the Committee on Budgets and the Bureau concerned the three posts of Deputy Director-General and, in any case, there was no need to make a meal of them: the three posts have simply been created for the use of the directly-elected Parliament should it so decide. They have been frozen and will only be released if the new Parliament so desires. Otherwise, some kind of supplementary budget would have been necessary in order to obtain them. The Bureau's view was that they would be needed in a Parliament with 410 members.

## Spénale

A distinction between quantitative and structural requirements has understandably been made but I must say that under Rule 49 of the Rules of Procedure, it is the Bureau's responsibility to decide on the Secretariat's staffing requirements in terms of both numbers and structure. I would remind the House that the issue has already come up in the past. When I was chairman of the Committee on Budgets, I had a slight difference of opinion with the Bureau, for I too thought that it was the Committee on Budgets' job to decide on staffing. Mr Scelba was President at the time and I had to bow to the provisions of our Rules of Procedure. It is only logical that this decision should lie with the Bureau since it is the President and the Bureau who are responsible for the smooth operation of Parliament, and not any one of its committees, not even the esteemed Committee on Budgets.

Finally, I believe that the question is now no longer relevant since, at its meeting last night which I attended, the Committee on Budgets sides with the Bureau by voting 9 to 5 for the creation of the three posts of Deputy Director-General. As a member of the Bureau and a former member of the Committee on Budgets, I must therefore recommend that the House approve the creation of those three posts of Deputy Director-General.

**President.** — I call Mr Ripamonti.

**Mr Ripamonti, rapporteur.** — (I) Mr President, I should like to thank those members who have contributed to the debate with their critical or constructive comments on the motion for a resolution tabled on behalf of the Committee on Budgets.

Taking up what Mr Shaw said, I should like to stress that the Committee on Budgets has provided for a two-stage increase in the establishment plan: first there are the posts to be filled immediately to cover the requirements of the new Parliament during its initial phase of operation and secondly, there are the reserve posts which can only be used if the directly elected Parliament decides on the basis of its new organizational arrangements to release them. As Mr Lange and Mr Spénale so rightly pointed out, this has been done to avoid placing the directly-elected Parliament in a position where it would be unable to make, and would have to postpone, any organizational changes and would subsequently have to adopt the procedure of submitting a second supplementary budget to the House in the course of the year and make allowance for the vacancy-filling procedures laid down in the Staff Regulations. Hence our resolve not to limit in any way the new Parliament's independence.

I would say to Mr Nielsen that the reason why the rapporteur for the Committee on Budgets did not wish to discuss the merits of the structural changes was that this should be left to the new Parliament, despite the fact that on the basis of the Secretary-General's report, the proposals and studies made by

the Directors-General and the observations submitted by the staff, the rapporteur and the Committee on Budgets could have dealt with the matter. However, a political decision was taken to leave the choice of structural changes to the newly elected Parliament.

As for the need to introduce new organizational techniques or technologically more advanced systems of organization — a subject which was discussed at meetings with the representatives of the administration and also within the Staff Committee — it would certainly be an extremely useful exercise for the new Parliament to do as Mr Nielsen suggested and as I myself have unsuccessfully proposed more than once in my own country, and call in outside consultants to look into its internal procedures and organizational structure, for with their experience of company organization, they would be able to suggest improvements in Parliament's own organization. I would add that the talks I had with the Secretary-General and the Directors made it clear that within the present structure, there are several ways of reorganizing and improving the technical and administrative sides of operation. And the documentation and proposals to this end but, for the reason I mentioned earlier, we did not go into the matter.

I would point out to Mr Dalyell that in making comparisons, it is as well to take consistent figures. In adopting the 1979 estimates last June, Parliament did not allow for the increase in membership from 198 to 410 when it added 142 posts to the establishment plan, many of them — 59 if I rightly remember — in the Information Directorate, an increase which, at 9.4 %, was lower than that made in the normal way the year before. As far as the new Parliament is concerned, 93 posts were created in October and 109 today, giving a total of 202 which represents a percentage increase of 12 %. If, as I said in my initial report, the new Parliament released all of the frozen posts, thus increasing the establishment plan by a total of 390 posts, we would obtain a figure of 23.12 %; but this is tied to organizational requirements, which the new Parliament will have to discuss, generated by the increase from 198 to 410 members. The problems of the new services with which members will have to be provided were raised by a good many members of the Committee on Budgets and the Bureau. Given the likelihood that there will be far fewer dual mandates, members will no longer be able to use the services of the national parliaments and will therefore have to make greater use of those provided by the European Parliament.

I would also say to Mr Dalyell that it is not true that we have provided no posts in the Directorate-General for Research and Documentation; in the establishment plan, which at present contains 85 posts, we

## Ripamonti

have provided for 32 frozen posts, precisely in order to cater for the documentation requirements of the new members and the need to set up study and research activities; as regards the Directorate-General for Committees and Interparliamentary delegations, in which there are 150 posts at present, the planned increase, on the assumption that the present committees continue in operation but not allowing for structural changes, is 4 posts now and a further 28 that have been frozen. A lengthy discussion took place on this increase in the establishment plan, required to cope with the continued development of committee activities specially in the case of the Committee on Political Affairs which requested increases in staff to deal with the enormous workload entailed by the decisions taken by the Committee itself and the whole House to hold hearings on matters of major international importance.

Lord Bruce made a number of comments on procedure, agreed that the release of posts should be decided by the directly-elected Parliament and made a reference to the Rules of Procedure. I would observe that the Committee on Budgets was duty-bound to consider the letter from the President, intimating that at its meeting on 1 and 2 March, the enlarged Bureau had concluded that the three A 1 posts of Deputy Director-General should be included in the estimates; given that the Committee on Budgets and its rapporteur constitute the normal link between the Bureau and Parliament, it was the rapporteur's duty to submit the problem to the Committee on Budgets which was free to express a positive or a negative opinion. The Committee expressed a positive opinion and I do not think that we should use other means to bring this matter before the House. In my view, the statements made by Mr Spénale and Mr Lange support the solution adopted; no pressure was brought to bear, the only requirement — under the Rules of Procedure — being that the Committee on Budgets should decide on the proposal put forward by the Bureau.

I do not therefore believe that we need disagree on this aspect of the problem of adjusting our structures to the requirements of the problem of adjusting our structure to the requirements of the directly elected Parliament which I feel that Mr Klepsch put most succinctly when he spoke of closer relations between its members and the European electorate. This will change the horizon of the European MP who, instead of being the delegate of a national parliament, will become the delegate of the peoples of Europe and will not be restricted in the view he takes of political events.

I would conclude by saying that in presenting this report, I have been and am clearly conscious — and this applies both to the debate we had in committee and to procedure we followed — of having acted in

the interests of the continuity of Parliament, its expansion and commitment to the real requirements of our Community.

**President.** — I note that no one else wishes to speak.

The motion for a resolution will be put to the vote as it stands at voting time on Thursday, 15 March 1979.

The debate is closed.

The sitting will now be suspended until 3.00 p.m.

The House will rise.

*(The sitting was suspended at 1.20 p.m. and resumed at 3.05 p.m.)*

## IN THE CHAIR : MR COLOMBO

### *President*

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

### 16. *Question Time*

**President.** — The next item is *Question Time* (Doc. 1/79).

We begin with questions to the Commission.

Question No. 1, by Mr Osborn :

In drawing up its latest proposals on the weight of commercial vehicles, what consultations did the Commission have with organizations representing the manufacturers of commercial vehicles in the Community and with those concerned with the protection of the environment?

**Mr Vredeling, Vice-President of the Commission.** — *(NL)* During its work on the preparation of a new proposal for a Council directive on the weight of commercial vehicles, the Commission has already had occasion to hold a number of meetings with representatives of transport undertakings, vehicle manufacturers and environmental protection organizations including the European Environmental Bureau Civil Trust and the Council for the Protection of Rural England. Following these discussions, the Commission has given careful attention to the arguments put forward by the parties concerned. If the Honourable Members care to examine our proposals, they will probably note that the Commission has attempted to strike an acceptable balance between the economic factors which come into play in this matter and the requirements of environmental protection and safety.

**Mr Osborn.** — To what extent do the new proposals to the Council demonstrate a flexibility which would allow the Member States to maintain their existing standards within their own territories, whilst accepting Community standards for intra-Community traffic? Is he satisfied that the Commissioner concerned, Commissioner Burke, has in fact consulted sufficiently widely and that the interested parties will back

**Osborn**

national governments who will obviously influence the Council in accepting this new compromise?

**Mr Vredeling.** — *(NL)* In reply to the Honourable Member's supplementary questions I must say that the question of flexible compatibility with national provisions is a matter for individual judgment. Once our proposals have been examined by Parliament, I think that we shall have ample opportunity to decide whether there is sufficient flexibility. In answer to the second part of his question — asking whether we did in fact consult sufficiently widely with the interested parties — I believe that we did so. We consulted the circles concerned. We shall continue our consultations and extend them to other bodies, in particular the trade unions so as to give them an opportunity to express their views too.

**Mr Spicer.** — Whilst I accept all the Commissioner has said, I wonder if he would just expand on it a little bit. He said that there had been consultations, I think with the Council for the Protection of Rural England. Now what consultation actually did take place, what were the proposals put forward by that Council for lorry weights in the United Kingdom and what account has been taken of those views? We all have these problems in our national States, we all have to face up to them and it may be quite impossible for a common denominator to be acceptable in all Member States. I wish he could just expand on that a little bit more?

**Mr Vredeling.** — *(NL)* I am sure the Honourable Member will understand that I do not have the minutes of our discussions with me now and cannot give a literal quotation. However, I repeat that we gave attention to the arguments put forward by the various organizations; their arguments are to some extent contradictory — as is inevitable in this particular area — and we tried to find a balanced solution.

**Mr Normanton.** — Would the Commission not agree that the difference in the specifications for axle weights, for example as between 32 tonnes in Britain and 44 tonnes on the Continent, is a difference which the layman in general cannot possibly hope to differentiate? And would he like perhaps on some appropriate occasion to illustrate that there is this emotional concern, rather more than the technical and commercial one, and which ought to be given much more weight when it comes to making Community decisions?

**Mr Vredeling.** — *(NL)* I think that there are considerable differences, particularly between the United Kingdom on the one hand and the Continent on the other. This is one of the critical difficulties. It is very difficult to reach a satisfactory compromise here because conditions in the United Kingdom, particu-

larly as regards the condition of the highways, are in many respects different from those prevailing on the Continent. I realize that certain emotional factors — or rather factors of personal feeling — come into play here in addition to the usual objective technical data. But in our political action we have to strike a compromise between the two aspects and that is what the Commission is trying to do.

**President.** — Since the author is not present, Question No 2 by Mr Nolan will receive a written reply.

Question No 3, by Lord Kennet:

What action does the Commission intend to take on the proposal from the EBCU — European Bureau of Consumers' Unions — that a network covering the Member States should be set up to provide rapid information on dangerous products?

**Mr Natali, Vice-President of the Commission.** — *(I)* The Honourable Member will no doubt recall that in the memorandum accompanying the programme-address for 1979 the Commission announced its intention of forwarding to the Council in the second half of this year a proposal which would enable a system to be established for the rapid exchange of information between the Commission and the Member States on the risks arising from the use of dangerous products.

**Lord Kennet.** — I have two supplementary questions of detail — one is quite important. First of all, what is the relationship between the proposed rapid information exchange, which the President of the Commission spoke of to this Parliament only last month, and the longer-standing proposal for a system of information exchange, without the word 'rapid', which is already before Parliament and which it is not proposed to get into operation until 1982? The key word, of course, is 'rapid'.

My second question is what is the reason, if the Commission is able to tell us, why the European Bureau of Consumer Organizations, which proposed precisely this rapid system of information exchange on dangerous substances, has received no answer or acknowledgement from the Council or the Commission to the proposal which it sent to them in December 1978, in spite of the fact that the word 'rapid' has now been adopted, apparently, by the Commission?

**President.** — Lord Kennet, I would point out to you that you have not just put a single supplementary question, but several.

**Mr Natali.** — *(I)* Section 78 on page 26 of the Italian text of the memorandum indicates the Commission's intention of engaging in wide-ranging consultations with the Member States, consumers associations and

**Natali**

industrial interests in the first quarter of this year. That is my answer to the second question put to me.

In answer to the first question I can only confirm that paragraph 79 of the memorandum states our intention of forwarding to the Council — in the second half of the year following the initial consultations in order to take account also of the views of the European Consumer Association — a proposal for the introduction of this system which we hope that the Council will be able to approve at an early date.

**President.** — Question No 4, by Mrs Ewing :

Will the Commission arrange for an environmental study to be made on the Moray Firth in view of the importance of the area in terms of the fishing industry of the Community as a whole and of Scotland in particular which would be at risk from pollution from oil-related and other industrial enterprises and in view also of the importance of the area to the tourist industry?

**Mr Natali, Vice-President of the Commission.** — (I) The organization of a study of the Moray Firth as requested by the Honourable Member would have to fit in with the guidelines and regulations laid down by the competent authorities and would need to refer also to any other relevant studies which have already been made. Any such study would have to be conducted in close cooperation with the competent authorities.

At this time the Commission has no detailed information on the specific problems arising in the context of the development of this region and it has not been contacted by the competent authorities on the subject of a study. The Commission therefore does not intend to effect an ecological study of the region concerned at present. I do, however, wish to stress that we are perfectly aware of the importance of the problem of reconciling development with environmental protection.

**Mrs Ewing.** — Has the Commission detailed information on the fearful example of oil pollution in the north of Scotland and the Shetland Islands which has affected the sheep, fishing, beaches, tourism prospects for the coming year? Perhaps it would be possible therefore to learn a lesson from that case for the Moray Firth where the Cromarty Petroleum Company seems to be employing the same substandard tankers which have caused the trouble in the Shetlands. Is it not time to look at the recommendations of Lord Bruce's excellent report on marine pollution and to get something done, to use whatever weight we have, to lean on the oil companies who must accept some responsibility when they are employing substandard tankers, often flying flags of convenience?

**Mr Natali.** — (I) I am sure that the Honourable Member will agree with me that the problem raised in her supplementary question goes beyond the specific

subject with which we are dealing. I was asked whether we proposed to make a study of a particular region and I answered that we had no relevant information or requests from the competent authorities.

The general problem of pollution of the sea was dealt with in an earlier speech in which I referred to a series of actions proposed at the level of the Council of Ministers. If the Honourable Member is concerned by this specific problem of pollution of the sea in the region to which she has referred, I would ask her to bear in mind the series of actions which we have proposed at Community level.

**Mr Prescott.** — If the Commissioner really wanted to do anything effective in this area, he should recognize that there is a very clear correlation between the washing of tanks of these oil tankers and the pollution of waters and the poisoning of fish. All he has to do is to ask the Community nations to ratify the convention that requires tankers to show evidence of where they have washed their tanks. That would clear this particular problem at a single stroke.

**Mr Natali.** — (I) I am grateful to you for making that point, Mr Prescott, but I can only repeat that this matter has far wider implications and does not relate solely to the region in respect of which a question was put to me. This is a much broader issue. I have noted the requests made to me and I must say that the Commission has on several occasions called on the Council to adopt various proposals laid before it.

**Mr Dalyell.** — When does the Commission hope that these proposals will be accepted? That is the key question.

**Mr Natali.** — (I) As you know, the Community's action programme relating specifically to pollution caused by the discharge of hydrocarbons into the sea provides for the possibility of research to control and reduce pollution of this kind. A first series of results of the relevant research will be available at the end of this year.

**Lord Bruce.** — While the House is well aware of the initiative that has been taken by the Commission in this particular field, will he bear in mind that making requests to Member States has been of little avail? Will he exercise all possible pressure within the shortest possible time to induce a somewhat reluctant Council to issue a directive to Member States to ratify the various conventions concerned?

**Mr Natali.** — I well remember the excellent work done by the committee chaired by Lord Bruce and have no difficulty in accepting his recommendation. Nevertheless I am sure Lord Bruce shares my awareness that certain Member States are not particularly keen to ratify these conventions.

**Mr Spicer.** — I am sure we have every sympathy with the Commissioner, but I wonder if I could just return to what Mr Prescott said. Is it not quite clear that all responsible oil companies throughout the world would give the fullest possible support to any action taken by the Council upon these lines. Moreover, at a time when we have a massive surplus of oil tankers, could we not move speedily to drive from the seas those tankers that persist in washing their tanks at sea and creating the pollution that has been referred to by Mrs Ewing?

**Mr Natali.** — I have often drawn attention to the fundamental principle that the polluter must pay. I therefore hope that all the international conventions will be ratified and I am aware of the importance of the requests made to the Commission to take further action.

**Mr Brown.** — I wonder if I can press the Commissioner a little further. He tells us about one of the problems, and asks for our help in persuading the Member States. Would he now identify for us which States are unwilling to ratify those agreements, so that we can in fact be very clear as to where our efforts have to be directed?

**Mr Natali.** — (I) I believe that this information is known to all honourable Members.

**President.** — Since the author is not present, Question No. 5 by Mr van Aersson will receive a written reply.

Question No 6 by Mr Schyns :

A number of Member States are newly registering severely handicapped persons in employment.

Can the Commission indicate to what extent the employment of severely handicapped persons is guaranteed in the nine Community Member States?

**Mr Vredeling, Vice-President of the Commission.** — (NL) In six Member States of our Community — the Federal Republic, France, Italy, Luxembourg, the Netherlands and the United Kingdom — employers are required by law to employ a given number of severely handicapped persons, a fixed percentage of the staff complement of the undertaking being set aside for this purpose. The exact percentages differ from country to country; they include both persons disabled in war and other persons who are recognized (by an *ad hoc* procedure) as being handicapped and registered as such. The percentage ranges from 2 % in Luxembourg to 15 % in Italy. In general this requirement does not apply to the smaller undertakings, a concept whose definition also varies. The staff complement ranges from 20 to 30 or even 50 employees, depending on the Member State. The requirements applicable to public corporations generally differ and are often less stringent.

In two countries, Denmark and Ireland, there are no official requirements for employers at present. In Belgium there is a law of 16 April 1976 which lays down the principle of compulsory employment but as far as I know there is no fixed quota in this case.

Mr President, I should like to take this opportunity to point out that this subject will also be dealt with in the document which we are preparing on supply and demand for jobs on the employment market.

**Mr Schyns.** — (F) Has the Commission received guarantees that the information given to it by the Member States in fact corresponds to the real situation?

**Mr Vredeling.** — (NL) That is a most apposite question. I can inform you that the percentages which I referred to just now that are laid down by law in some Member States are not actually attained in any of them. Certain countries, such as the Federal Republic, do, however, apply more stringent rules than others in verifying the application of these criteria.

**Mr Scott-Hopkins.** — Would not Mr Vredeling agree that this is a prime area on which the Commission can really make an impact through the Social Fund? Does he not agree that it is about time the Commission tried to change the emphasis which exists at the moment on agriculture? Why does he not take the initiative here? Perhaps subsidy is needed: let him look into this matter and see what can be done, together with national governments, to encourage the employment of these handicapped people. Surely there is an enormous field here for the Social Fund. I know he is very interested in this matter, so could he not take the initiative and really do something positive and worthwhile?

**Mr Vredeling.** — (NL) I fully endorse the point made by the Honourable Member. It would be highly desirable for the Member States in general to respect the relevant provisions. Mr Scott-Hopkins mentioned agriculture but I did not entirely follow the connection because I did not refer to agriculture as a separate area of activity. The moral obligation applies to every branch of economic activity. He also rightly referred to the Social Fund's role. In principle the measures could also be subsidized from the Social Fund but we have the problem that the Council has laid down the criterion that the handicapped must be employed under normal economic conditions and that no other considerations must come into play; we are trying to broaden that concept somewhat.

**Mr Johnston.** — While the Commissioner will be aware that the criticized is often criticized for wishing to harmonize things which do not require to be harmonized, would he not agree that this is an area where there is a need for harmonization according to the highest possible standards? Could I ask him



**Johnston**

specifically to say what the Commission is doing to try and persuade the different member countries of our Community to maintain higher common standards and to give handicapped people the same opportunities throughout the Community?

**Mr Vredeling.** — (NL) Once again I fully endorse the tenor of those observations. I believe that it would be desirable to harmonize the percentages, even when we approach this problem in terms of the common market. The lowest percentage I mentioned was 2 % for Luxembourg and the highest 15 % for Italy. There is thus room for rather more concrete action in this area. We have looked at the matter in the document which we are preparing for submission to the Standing Committee on Employment in May. The Honourable Member also referred to the governments of the Member States. I would stress the important role that the social partners can play in this area since the two sides of industry are the most directly affected. His suggestion should therefore be directed both to the governments of the Member States and to the social partners.

**Mr Albers.** — (NL) For a number of years the Social Fund has been open to projects for the benefit of the handicapped. Can the Commissioner say roughly how many workplaces have been maintained in the last few years and how many new ones made available for the handicapped? Can the Commissioner also outline his views on the creation of jobs for the handicapped in his new employment programme?

**Mr Vredeling.** — (NL) The Honourable Member will surely forgive me for not having the precise figures here with me. We do have these statistics and I shall make them available to him but I must first contact Brussels, as I am sure he will realize.

His second question related to the new jobs that we want to create. I had the impression that he was referring to the new type of support decided on by the Council at the end of last year — namely the promotion of employment of young people. This form of support must be treated separately from support for the handicapped under the Social Fund from which young people are of course not excluded. In my view the new form of aid for young people can also apply to the handicapped in order to facilitate their employment. The number of jobs to be created for handicapped persons is not known to me at present.

**Lady Fisher of Rednal.** — Could I ask the Commissioner if any separate statistics are kept on persons who are disadvantaged through visual eye defects, including blindness? Have they the same kind of guarantees in the Member States, and are they defined in the nomenclature as 'severely handicapped persons'?

**Mr Vredeling.** — (NL) This question must be approached from the angle of the nine Member States in which nine sets of criteria apply. I do know that the blind and persons with visual eye defects fall under the definition of 'handicapped' in certain Member States. I do not know whether this is the case in all the Member States but I think it may well be so.

**Mr McDonald.** — Has the Commission any definite plans for offering inducements to employers for the employment of handicapped persons, possibly as a follow-up to the monies made available under the Social Fund towards the provision of sheltered workshops for the training, and possibly retraining, of handicapped people? I would have thought that would have been a logical follow-up.

**Mr Vredeling.** — (NL) There is no provision under the Social Fund for special inducements for the employment of handicapped persons, in other words there are no direct premiums for the employment of the handicapped. This concept has applied since a recent date to young people. I have repeatedly stressed its importance here in Parliament. We do not yet have similar inducements for the handicapped. As regards the second question concerning sheltered workshops: I have already drawn attention to the desirability of such workshops in answer to previous questions by Mrs Kellett-Bowman. We must not only subsidize the occupational training of the handicapped but also provide possibilities for the severely handicapped which do not exist at present under the Social Fund. The Council has specifically excluded the use of the Social Fund for this purpose — i.e. to finance sheltered workshops and the activities pursued in them not only in the area of vocational training but also as regards more permanent employment. My answer is unfortunately that the Social Fund cannot be used for this purpose. But if the Honourable Member is saying that the Social Fund should normally be available for this, then I must say that I share his view.

**Mr Normanton.** — While the registration of handicapped persons may well help them to secure employment, would the Commission not agree that it may well be much more appropriate to initiate and fund research into the causes of their handicaps particularly the spastic and the mentally handicapped? Would he not agree that this is a human problem which is common to all Member States, and that, since medical problems know no national frontiers, Community action would be the most appropriate for giving relief and help to the handicapped?

**President.** — Question No 7, by Mr Radoux:

Can the Commission explain the advantages and significance of the sectoral agreement which the Community is negotiating with Romania, and how it fits into the EEC's policy *vis-à-vis* the Eastern and Comecon countries?

**Mr Haferkamp, Vice-President of the Commission.** — (D) Negotiations between the Community and Romania fall within the context of the Community's overall policy towards the State-trading countries. The Community is open to negotiations with all of these countries. The aim of the negotiations with Romania is to conclude an agreement on industrial products and an agreement on the creation of a joint committee. This agreement would supplement existing accords. It would aim at an extension of trade and would provide a more stable basis for commercial exchanges. As you know, the existing agreements relate to the textile sector and to ECSC products. The setting up of a joint committee would create a suitable framework for a regular exchange of views on mutual economic relations.

I should like to make a further observation: the negotiations with Romania are not connected with the Community's current negotiations with the Council for Economic Cooperation. Those negotiations are aimed at establishing working relations with Comecon, and not at laying down provisions of commercial policy.

**Mr Fletcher-Cooke.** — The answer of the Commissioner was not at all informative. The only sector that he mentioned in reply to the written question was the sector of textiles, which is rather a red rag to a bull. What sort of textiles does the Commissioner have in mind to admit to the Western European market beyond what is already admitted — in the view of some of us, far too much — from other parts of the world? Why should Romania, for all its bravery in standing up to the Soviet Union, be blessed, at the expense of my constituents for this bravery?

(Laughter)

**Mr Haferkamp.** — (D) You must have misunderstood what I said. I stated that we were conducting negotiations on an agreement covering industrial products and that agreements on the textiles sector already exist — textiles are not the subject of any current negotiations. There is an agreement in the context of the Multifibre Arrangement and a further agreement for ECSC products — in particular for steel. No negotiations are being conducted in these two sectors at present. We are now negotiating an agreement to cover all other industrial products and a further agreement to set up a joint committee. There are no negotiations on the textile sector at present.

**Mr Scott-Hopkins.** — Could the Commissioner clear up a small point for me? I understood that for the last two years, all agreements with Comecon countries, such as Romania, were to be on a Community

basis. Yet it would appear that the French Government has just negotiated a bilateral agreement with Romania. Will this be superseded by a Community agreement, or can we all of us negotiate and accept bilateral agreements from now onwards?

(Cries of *Hear!, hear!*)

**Mr Haferkamp.** — (D) For several years now, since the transfer of responsibility for commercial policy to the Community, we have observed that in addition to trade agreements which fall within the competence of the Community, all the Member States are in many cases also concluding cooperation agreements of widely varying kinds. I would stress that all the Member States are involved in this and that cooperation agreements exist everywhere. There is a Council regulation which requires such cooperation agreements to be made the subject of Community consultation even if they are concluded at national level. I repeat that the procedure is laid down in Council regulation. There are also other types of agreement which do not fall within the Community provisions — e.g. special agreements on scientific and technical cooperation and agreements relating to cooperation between individual companies. The Commission has repeatedly called upon the Member States to avoid bilateral solutions in doubtful cases but to place more emphasis on Community policy instead. From time to time this requirement has not been met satisfactorily — and all the Member States are equally at fault here.

**Mr Berkhouwer.** — (NL) Is it not slowly becoming clear that an increase in the number of bilateral agreements are being concluded under the cover of cooperation specifically in order to avoid complying with the requirement of placing external commercial policy on a Community footing. Does this not conceal a risk of unfair competition on a very wide scale? I am thinking of China and of all the other countries with which we now have contacts. Everyone is involved in this and a whole range of conditions come into play. Who gives the cheapest credit? Who gives the longest credit? Who gives the lowest rates of interest and so on? I have only pointed at some of the relevant factors but you will readily understand what I am driving at. I should very much like a clear answer from Commissioner Haferkamp on this. Should not caution be the order of the day here?

**Mr Haferkamp.** — (D) I can only confirm that the methods and practices adopted by the Member States in order to exploit every possibility of evading the conditions of our common commercial policy are characterized by a great many imaginative steps and by considerable inventiveness. I am sure that in some cases this does bring immediate benefits — but in the long run the Member States will simply be impeding one another and our competitors, the United States

## Show

and Japan, on the world markets will stand to gain a great deal. The third countries whom we are outbidding to assist each other with interest subsidies and special credit terms at the cost of our taxpayers will also stand to gain. That is perfectly clear. The Member States too should realize what is at stake. Unfortunately we do not have the legal instruments to take remedial action in every case. What we can, however, do is to watch over strict enforcement of the agreed common commercial policy and attempt to ensure that the directive on consultations is respected at all times. Unfortunately we cannot do so in every case. There is a tendency for the Member States to disregard the Community in all instances where they are seeking their own immediate advantage through bypassing of Community provisions, but to make sure that Brussels is directly involved whenever unpleasant decisions have to be taken in relation to third countries and protectionist measures need to be introduced.

**President.** — I declare the first part of *Question Time* closed.

17. *Regulation amending the Financial Regulation of 21 December 1977*

**President.** — The next item is the report (Doc. 642/78), drawn up by Mr Shaw on behalf of the Committee on Budgets, on

the common position of the Council on the proposal for a Regulation amending Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities.

I call Mr Shaw.

**Mr Shaw, rapporteur.** Mr President, this report, which I have the honour to present, deals with changes in the Financial Regulation. It is an unfortunate fact, Mr President, though nonetheless very understandable, that as soon as the Financial Regulation is mentioned, colleagues tend to lose interest.

*(Cries of 'Hear, hear!')*

They tend to say: Oh, that's something for the Committee on Budgets, or even, in extreme cases: that is something for Mr Shaw; and judging by the way the exits are being crammed, the same is happening at the moment.

*(Applause)*

However, I am bound to say that the budgetary powers that we hold through the Treaty, and which are supported by the implementing provisions of the Financial Regulation, are vital to the authority of Parliament. I hope that an understanding of this will be inherited and guarded by our successors. Whatever the

longterm future powers of Parliament may be, so far as the foreseeable future is concerned, I profoundly believe that Parliament's purpose should be to understand and responsibly fulfil the proper and reasonable budgetary powers that it already possesses. And through the development of a growing cooperation with the Council — and of the Council's growing cooperation with us — the joint Budgetary Authority should then, in my view, play an increasingly important part in shaping the future of our Community.

Having made that general observation, Mr President, I would say straight away that the changes we are seeking in this document are, as I see them, non-controversial in nature. The background is as follows:

Last summer the Commission put forward a package of proposed amendments to the Financial Regulation covering three principal headings: firstly, review of the arrangements with regard to the approval of the carry-over of appropriations from one financial year to another; secondly, simplification of the way in which appropriations for research and investment purposes are presented in the budget; and lastly, the improvement of the budgetary control of borrowing and lending operations.

So far as the Article relating to the carry-over arrangements is concerned, the Council and I, on behalf of the Committee on Budgets, entered into initial conciliation procedure. I was authorized to try and get agreement, which I think I have done. It is the view of the Committee on Budgets that the amendments as set out on page 7 of this document, as they affect Article 6 (3) of the Financial Regulation represent the best that could be arrived at in all the circumstances.

Let me say straight away, Mr President, that there is no ideal solution in this matter, because it hinges on sufficient time being given to each institution; and each institution wants just a little more time than can be arrived at by adding all the times up, because of the deadlines that have to be adhered to. So I hope the compromise is one which can be accepted by the Council, the other half of the Budgetary Authority, and, equally importantly, by our good friends in the Commission.

So far as the research and investment articles are concerned, I can say that agreement acceptable to the Committee on Budgets has been secured as a result of our informal conciliation negotiations. Still, there is one exception to this. The Council did not find it possible in its common position to take on board the new paragraph 2 of Article 88 that we supported. This paragraph states that the figures given in programme decisions or corresponding decisions shall be merely indicative. The Council would however be prepared to enter into formal conciliation procedure on this aspect.

Shaw

So far as the last item, the proposal with regard to borrowing and lending operations, is concerned, the Council did not put forward a common position. This was discussed at some length in the course of the procedure leading up to the adoption of the 1979 budget. It is a matter to which Parliament attaches significance. Therefore, when approving the report now before the House, the Committee on Budgets thought it appropriate to call on the Council to commence the conciliation procedure on the appropriate provisions in the Financial Regulation regarding the authorization of borrowing and lending operations in addition to the provisions relating to the indicative nature of figures in programme decisions. To stress the urgency which the Committee on Budgets attaches to this matter, it urges that the conciliation procedure on both of these issues be commenced by 30 April at the latest.

In view of the importance of this conciliation procedure, may I respectfully say that I feel it would be appropriate for you, Mr President, to write to the President-in-Office of the Council conveying the wishes of the Committee on Budgets and of this House in regard to the matter. I believe that such a letter, in addition to the motion for a resolution, is called for, particularly, under the circumstances that I have outlined.

With these words, I recommend the report to the House for its approval.

IN THE CHAIR : MR ADAMS

*Vice-President*

**President.** I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, the Commission finds itself, I am happy to say, completely in agreement with the point of view explained by Mr Shaw. We certainly urge approval of the common position taken by the Council with regard to the changes to be made in the Financial Regulation. Like the Parliament, we would, of course, have preferred the Council to have approved the whole of the initial proposal which we laid before it in June 1978. I think, however, that we also all know that at this stage it is better to accept the few changes that have actually been agreed than to hold up those changes in the hope of getting something better in the immediate future.

There are two reasons for this. First of all, the proposals of the Commission concerning the improvement to be made in the presentation of research and investment appropriations ought to be adopted as quickly as possible in order to take account of the agreement reached during the conciliation procedure of last year, to which Mr Shaw referred. We wish to formalize the legal basis for the presentation of these appropriations

in the 1979 Budget. We are, I think, also of one mind at the moment on the budget that has already been adopted, and there are enough difficulties surrounding it without adding to them at this stage.

As regards the adoption of the proposed change in Article 6 (3), referring to the carrying forward of appropriations, this does have a certain practical importance regarding the achievement during the year in question of more rational progress in the procedure for authorizing the carry-forward of appropriations and in particular enabling the time-table in this procedure to be very much better respected. So there are these two points, one of which is quite important, the other less so.

Mr Shaw in his brief speech emphasized the need to get a move on over the treatment of borrowing and lending operations, and here we very much agree that this is something which has been on the table for some time and we would like to see matters moved on rather faster than they have been. I hope very much that this question can become a subject for a conciliation procedure between Parliament and the Council as soon as possible. I can assure the House that in the Commission's mind the whole question of the budgetization of borrowing and lending is still regarded as an important matter: it is still something which we ourselves would like to see brought into effect.

I am reminded that the indicative nature of the research appropriations connected with the programme decision is something I ought also to have mentioned, and I fear in my speech towards the end I overlooked it. But I wanted to say, Mr President, before sitting down, that I in my capacity as the Commissioner responsible for the budget have had a great many dealings of this sort, both in plenary sittings and in committee, with Mr Shaw, and I look forward with regret and sadness to the day when these issues can no longer be left to him, as he put it when he began his speech. It will not seem the same at all when I cannot have this exchange with him.

*(Applause)*

**President.** — I call Mr Lange.

Mr Lange, I should like to ask you, as chairman of the Committee on Budgets, to express a view in the course of your speech on the suggestion by Mr Shaw that a letter be written to the President-in-Office of the Council containing Mr Shaw's suggestions and the motion for a resolution.

**Mr Lange, Chairman of the Committee on Budgets.** — *(D)* I shall answer your question, Mr President, as to my views on Mr Shaw's suggestion by saying that we should adopt it, as it is entirely in line with the recommendation of the Committee on Budgets. Mr Shaw as rapporteur has accurately conveyed the Committee on Budget's wishes in this matter.

**Lange**

I wish to take this opportunity to refer once more to a difference of opinion between the Council and Parliament which was again apparent at last Tuesday's meeting between the Council and Parliament's delegation. I must recall here a statement made in December 1977 by the then President-in-Office of the Council at our last meeting to discuss the 1978 budget. The Council expressed the fear that Parliament might use its budgetary powers to call into question the legislative powers assigned to the Council under the Treaty. We made it quite plain that we had no intention of disputing the Council's legislative powers under the Treaty but added that neither did we wish to see our budgetary powers under the Treaties called into question or undermined by the Council's legislative powers. This is the crucial factor behind paragraph 3 a and also 3 b.

The Commissioner responsible for the budget, Mr Tugendhat, has again stressed the indicative nature of the financing or staffing figures contained in Commission proposals as both are required for political purposes and can only be finally decided in the course of the budgetary procedure. This means that Parliament must be extremely careful to ensure that the budget does not simply contain a list of Council decisions for which expenditure is required but always reflects a certain political will. Hence our call on the Council to initiate the conciliation procedure in the question of the binding or merely indicative nature of the figures contained in its legislative acts so that we can finally achieve what this Parliament requires to uphold its own budgetary position. I say this quite clearly, Mr President, in order to heighten the House's awareness of this problem and also to show that budgetary matters and even matters relating to the Financial Regulation are not only the concern of members of the Committee on Budgets, its rapporteurs, or perhaps even the chairman of the committee responsible, but that they concern each one of us. The point is that the members of this House, with their national contacts and their knowledge of those matters, are perfectly well able to make it clear in any conversations with the responsible people in their national governments what is really at stake here and hence to persuade the members of the Council at long last to do in Europe what is accepted as a matter of course in their own countries and to abandon once and for all the curious views which the Council has so far always taken in this matter.

This explains the demand made in the last paragraph, although it is of course entirely clear that Section b) is equally important, for if lending and borrowing is not included in the budget, a significant area of finance and hence of policy would escape parliamentary control; Parliament would then have no opportunity at all to call anyone to account for policy financed in this way or, to put it more mildly, to exercise any

supervision. I would therefore repeat that the President of this Parliament must write a letter couched in most specific terms to the President of the Council to ensure that the necessary talks are held between the Council and Parliament by 30 April. I wished to say this with all due emphasis in order to impress upon the President and Council as a whole the urgency of Parliament's appeal.

**President.** — I call Mr Shaw.

**Mr Shaw.** — Mr President, firstly, I would like to thank my own chairman, the chairman of the Committee on Budgets, for his words of support, and to say to Mr Tugendhat that I may be absent, but I am glad that the firm but understanding hand of Mr Lange will still be over the operations of the Budget Committee. I think we must all be thankful for that, and I am grateful to him for his words.

So far as Mr Tugendhat's words are concerned, I would like to thank him too for his kindness, and to tell him that, of course, this is not the end of the proceedings, since although we have finished with this document today, there is conciliation going on, more or less quietly, on the subject of EUA and on the subject of the supplementary budgets, so that there is still a lot of work to be done in this Parliament and we have got to work together to try and achieve something on those two very complex subjects.

With that, Mr President, I commend this report to you and I hope that the House will in due course approve it.

*(Applause)*

**President.** — I note that there are no more requests to speak.

The motion for a resolution will be put to the vote as it stands tomorrow at Voting Time.

The debate is closed.

#### 18. *Greece's accession to the Community*

**President.** — The next item is the report (Doc. 670/78), drawn up by Mr Amadei on behalf of the Political Affairs Committee on

the application by Greece for accession to the Community.

I call Mr Amadei.

**Mr Amadei, rapporteur.** — *(I)* Mr President, ladies and gentlemen, we all know that Greece will be a member of the Community by 1 January 1981 at the latest. My report on the Greek application for membership therefore comes at a time when the negotiations on accession have entered their final stage. But this

**Amadei**

does not mean that anything this House may say will have no practical effect, for there are still one or two major problems that remain to be settled not only in the negotiations themselves but also as regards the policies and causes of action which both the Community and Greece will have to pursue in the years ahead.

I would like to stress not only the vital importance of settling in the course of the negotiations those points which will ensure that membership brings advantages to both sides but also, what is even more important, that both the Community and the Greek Government should take steps to ensure that, both from the economic and the social points of view, the decisions taken during the negotiations can be implemented.

Both the Community and the Greek Government must make the efforts necessary to adapt their economies to the requirements of a ten-member Community that includes Greece and also in anticipation of a twelve-member Community that takes in Spain and Portugal.

Tomorrow's Community will thus comprise two major areas, one with the kind of economy found northern Europe, with a high industrial content and an agriculture shaped by northern European climate and infrastructures, the other with a predominantly agricultural economy and typically Mediterranean products.

This will mean a slight change from the Community of the Six and even of the Nine whose regions are fairly homogeneous and the consequences are easy to imagine. They will be felt mainly in the economic, social and institutional sectors whereas, from a political point of view, enlargement can only bring advantages.

As far as the negotiations on accession are concerned, we may note that the problems involved have been settled to the advantage of both sides. But in order to ensure that enlargement brings genuine benefits, it is not enough simply to implement the decisions taken during the negotiations; we need above all to carry out the changes which the new situation requires both in the Community and in Greece.

First of all, I would say that it is not only for Greece to adapt to the Community's economic system but that the Community too must modify its structure to accommodate the new member countries.

For this reason, I believe that both the Community and Greece should arrange for suitable transitional periods in which their economies can adjust to each other in order to avoid imbalances which might well cause serious problems in particularly sensitive areas such as agriculture, the social sector and in one or two branches of industry (e.g. steel and textiles).

It has been decided that, in principle, the transitional period will last for five years and this seems adequate,

but in a few particularly sensitive sectors, provision should be made for an extension to not more than seven years. In my view, the transitional period is particularly important in that advantage should be taken in the next few years of the opportunities it offers to make the necessary economic structural changes on both sides. We must remember that enlargement should not be detrimental to the interests of the Mediterranean regions of the present Community and that Greek agricultural production will, to a great extent, compete with that of our Mediterranean regions which have so far derived less benefit than others from the Community's sectoral policies.

I am aware that with an eye to enlargement, the Commission some time ago made plans to reform the Community's agricultural policy in order to cushion the Mediterranean regions (the Italian Mezzogiorno and the French Midi) against competition from Greek agricultural produce. I should particularly like the Commission to provide us today with a summary of the practical measures it has decided to introduce for this purpose. I also wish to stress that the decisions which the Commission has taken and will take in this area must be effectively implemented and not simply remain a dead letter. Effective action is absolutely essential if enlargement is to bring economic advantages to both sides and if enlargement were to prove detrimental to the Mediterranean regions of the Community, this might well compromise the political benefits which led the Community to accept the application for membership and to expand further along the Mediterranean. In addition to the agricultural sector, I should like to draw attention to the need for suitable measures as far as the free movement of workers is concerned. It is true that on the basis of the present economic situation in Greece, no particular problems can be expected in this sector as the statistics in my possession show that Greek workers are tending to return to their own country. However, the Community must provide against situations which, though not possible today, might at a later stage seriously compromise the employment situation to which the Community must pay particular attention. Sudden changes are liable to occur on the labour market and we must take steps far enough ahead to guard against the consequences of enlargement on the difficult employment situation in the Community. For this reason I believe that safeguard measures might be applied as a last resort.

It is essential, however, that when the accession treaty comes into force, Greek workers should enjoy exactly the same working conditions and social security benefits as nationals of the other Members States.

It should be pointed out that in the industrial sector, Greece should take precautions to protect its young industries from Community competition but apart

**Amadei**

from this, I would point out that while the Community's industrial system is stronger than its Greek counterpart, it must not be overlooked that in a few highly sensitive sectors, Greek production, though relatively low, may cause significant imbalance even in the Community: I am thinking for example of what happened as a result of Greek textiles exports to the Community.

In my opinion, the Community must therefore pay close attention to the effects of Greek membership in the industrial sector too, for in some respects it is also a sensitive sector. I consider that in the years ahead, a close watch should also be kept over the steel sector which, as we all know, is going through a crisis.

We must remember in this connection that while Greece has been considered as a case apart because of its association with the Community, which goes back to 1961, it is also true that the Community must take an overall approach to the process of enlargement as far as the Mediterranean countries are concerned and in the industrial sector, it must be remembered that the accession of Spain may well have particularly important consequences because of its production capacity.

The gist of my argument is that on the one hand we have the results effectively obtained in the accession negotiations with Greece on the basis of which practical decisions can be taken and on the other, we have a situation which is not quite as certain, depending substantially, as it does, on the decisions and measures taken by the Community and the Greek Government to follow up the guidelines spelt out in the course of the negotiations. It is therefore absolutely necessary for the Community to proceed as soon as possible with the restructuring of its own economic system with a view to accepting Greece and the other applicant countries which, in some sectors, represent a production potential that may have a certain effect on the Community's economic system.

The unquestionable political advantages which make enlargement not only desirable but, I would say, essential, must not therefore be jeopardised by adverse economic effects which might lead to a situation that would produce a decisive effect on the Community's political order. I trust that what I have said will be given due consideration by the Community authorities responsible and I would ask the Commission to provide a clear indication of what it proposes to do in order to ensure that the enlargement of the Community to include first Greece and then the other applicant countries will take place in a manner consistent with the requirements of the Community as a whole and of those regions which are likely to be most affected.

*(Applause)*

**President.** — I call Mr Eduard to speak on behalf of the Socialist fraction.

**Mr. Edwards.** — Mr President, after listening to the excellent speech and report of my colleague, Mr Amadei, I wonder what there is left to say on this subject. I feel like saying 'ditto' and sitting down, but I have a responsibility for the Socialist Group so I will try to concentrate on the political reasons why we should expedite the full membership of Greece to our Community.

During the two years I have been a Member of this House, the three major issues before us have been the question of direct membership to this House to democratize our Parliament, the monetary fund and the enlargement of the Community. And it is my view that the enlargement of the Community is most important of the three. The founders of this Community issued an invitation to every European country to join in this Community and to build a united Europe, to advance social conditions for its people, to guarantee political freedom and to make an important contribution to the peace of the world. That invitation is still open, on one condition, and the one condition is that the European country maintains a free parliament, free trade unions, freedom of speech and freedom of the press. And Greece qualifies under all those conditions of membership.

I was in Athens chairing a British parliamentary delegation when the colonels took over there. Indeed I was threatened with a tommy-gun by one of their trigger-happy young, arrogant officers, and it was a great joy to me, and I am sure a great joy to all of us here, when the dictatorship of the Greek colonels was ended so peacefully and without the kind of political upheaval that many of us thought would be necessary before those black days of the colonels were ended. Had it not been for the dictatorship of the colonels, there is little doubt that Greece would have been a Member of this Community — very likely the seventh Member of this Community, but certainly the tenth, because Greece has a very long association with our Community.

Way back, I can remember, in 1956, she preferred the Community to EFTA, because EFTA was just a customs union and she was interested — her government, her people — in joining our Community. And of course, unlike Spain and Portugal, who I am sure all of us will welcome into the Community in due course, Greece has had a long association with us. She signed an association agreement in, I think, 1961. So her industries and agriculture have to some extent been geared to the institutions of our Community, and her entrance here should be relatively smooth. She has her problems of agriculture, and particularly problems of migrant workers, which the rapporteur has mentioned in close detail, but I am sure these are minor points relative to the importance of this country that cradled the culture of our Europe, that did so much for democratic accountability and that has had such a colourful part in the history of Europe.

**Amadei**

Politically it is important that democracy is maintained in this country after the short period of dictatorship that the people had to endure. And when we come to look at the financial responsibilities, although to me these are minor points compared with the political importance of enlarging our Community, I find that last year our Community countries exported to Greece three billion dollars' worth of trade, and that we have a surplus with Greece of over two billion dollars. So they have made a contribution already to our Community. We do a greater trade with Greece than we do with Australia or Canada and a trade equal to our trade with Japan or Brazil. So we should welcome Greece, and I hope she will have her membership by 1980, and full membership by 1985.

I hope that negotiations will continue with Spain and with Portugal — countries a little more difficult — and I hope not far into the distant future we will find that Turkey, a neighbour of Greece, will also be part of our Community. We have to extend the growth of our Community to those countries who have emerged from dictatorship, military or fascist, and help them along the road to democratic accountability. So on behalf of the Socialist Group I have very great pleasure in supporting this report.

**President.** — I call Mr Scelba to speak on behalf of the Christian Democratic Group (EPP).

**Mr Scelba.** — *(I)* Mr President, ladies and gentlemen, the Christian-Democratic Group for which I am now the spokesman, will vote in favour of this motion for a resolution even if we do not fully agree with the wording of some of its paragraphs.

In expressing our favourable vote we consider it opportune to draw attention once again to our general views on enlargement of the Community and to certain specific problems raised by the accession of Greece.

The Christian-Democratic Group, respecting to the full the letter and the spirit of the Treaties, favours a Community which is open to all European nations governed by democratic systems. For the same reason our group was firmly committed in the past to enlargement of the Community to include the United Kingdom and the other democratic countries of northern Europe. We therefore warmly welcome the Greek application and are delighted to learn that the negotiations are proceeding smoothly and will soon be concluded.

The accession of Greece — like that of Spain and Portugal — poses problems to the European Community and to its Member States, just as the accession of the United Kingdom, Ireland and Denmark posed problems.

We are convinced that the enlargement of the Community is in itself desirable because it strengthens the front of a free, democratic, peaceful and pacifying Europe. Freedom and peace are such vital aims that they are amply sufficient to justify possible economic sacrifices which enlargement may require of the present Member States of the Community.

If enlargement is to lead to a stronger European Community, it is also necessary for the economic problems which it brings in its wake to be solved in a balanced manner and in a spirit of genuine solidarity with benefits for all concerned and harm to no one. That is the spirit underlying the economic and social considerations set out in the resolution following the wishes formulated by the competent committees.

Examination of the Greek application for accession became possible following the return in that country to a free system of government whose existence is imperative for membership of the Community. This condition was stressed in the Pintaat resolution on institutional problems and applies not only to Greece but also to all the applicant countries and to the countries which already belong to the Community. In this area above all, it would not be acceptable for distinctions to be made between the existing and new members; that would be tantamount to discrimination against the applicant countries.

We are asking for these factors to be taken into consideration in the negotiations because we believe that undertakings entered into in this area will be an incentive to all of us who believe in the value of a united and democratic Europe to work in our respective countries towards the consolidation of our free institutions.

Concern has been expressed in some quarters that the accession of Greece might have adverse consequences on the future accession of Turkey because of the tension between the two countries over Cyprus and the Aegean. We do not believe that this concern is justified: we are convinced on the contrary that the accession of Greece could contribute to a more rapid and peaceful solution of the present disputes.

Greece is aware of the position of Turkey as an associate of the Community and a future candidate for accession. It is therefore clear that the accession of Greece, based on respect for the existing attainments of the Community, cannot be an obstacle to the future membership of Turkey. With the accession of Greece we believe that the Community will be better placed to act more effectively as a mediator in the disputes between the two countries.

To that end and in order to facilitate amicable contacts between the two associated countries and affirm the peaceful character of the European Community, the Christian-Democratic Group considers it



**Scelba**

desirable for the governments of Greece and Turkey to be admitted to participate forthwith in the Council of Foreign Ministers meeting in political cooperation.

Ladies and gentlemen, our Assembly has repeatedly expressed its support for the enlargement of the Community through the accession of Greece liberated from the dictatorial regime which oppressed its people; we therefore welcomed with deep satisfaction the return to democracy in Greece.

Previous expressions of the wishes of our Assembly make it unnecessary for me to speak further on this occasion in support of the cause of Greek accession.

In recommending the adoption of the resolution now before us, we express the hope that the current negotiations will be brought to an early conclusion on the lines suggested by me and that the ranks of the European Community will soon be joined by Greece, a country whose cultural heritage forms an integral part of the civilization on which our Community is based.

**President.** — I call Lord Bethell to speak on behalf of the European Conservative Council.

**Lord Behell.** — Mr President, it gives me very great pleasure, on behalf of the European Conservative Group, to welcome this report by Mr Amadei and join with others in the confident expectation that Greece will very soon be the tenth member of our Community. If there is one particular point with which I would quarrel, on a point of nuance, in Mr Amadei's report, it is in the first paragraph of his document, where he refers to the 'real prospect' of Greece becoming the tenth full Member of the Community. Speaking personally, I would have chosen a stronger phrase than the one used by the rapporteur. I would have spoken not of a 'prospect', but of a certainty, of a firm conviction that the European Community will sign a treaty with Greece within the next few weeks, indeed within the French presidency, and that this treaty will be ratified by the ten parliaments in question within a year, or at the latest within eighteen months. So I would see something more than a prospect of Greece's accession as being before us.

It also gives me great pleasure to see this achievement, the approach of the conclusion of negotiations with Greece, as one of the great pluses of the Community during the past four years. I can recall, myself, as Mr Edwards has done earlier, the seven years of dictatorship in that country, and I joined with other Conservatives in various movements to try and restore Greece to democracy. I can recall that the former leader of our group, Sir Peter Kirk, was one of many Conservatives who worked very hard to try and convince the world community and the people of Greece that dictatorship could have no part of the European scheme of things. Both in the Council of Europe and in this Parliament such statements were made from these

benches, and it is in no small part due to the pressure applied from the Community, I believe, that in 1974 the upheaval took place which brought democracy back to Greece. I know that the Greek people recognize we in the Community put into their service.

But of course, although Greece made her application to join as one of her first serious political moves in the sphere of foreign policy in the summer of 1975, there were bound to be various stumbling-blocks along the way, and I can remember going to the first meeting of the Joint Parliamentary Committee with the Greek Parliament in Athens in the summer of 1975 and believing that the negotiations would be over within a year or two. It has not turned out like that, Mr President. There have been many stumbling-blocks, and the people of Greece have at times become despondent and disappointed — there can be no doubt about it. Previous speakers have mentioned the question of textiles. Mr Amadei mentioned the problem of the movement of labour, which is naturally a concern to the Community because of the high level of unemployment in several Member States. The problem of the entry of Mediterranean products into the Community is naturally of great concern to various Member States, particularly in view of the prospects of the accession of other Member States in the next few years, and naturally the political and security problems raised by the war in Cyprus and conditions in Turkey have had their bearing on the negotiations.

I think it is very much to the Community's credit that in spite of these various stumbling-blocks it did not in its essential negotiations depart from the principle that Greece's application should be treated on its own intrinsic merits, and it is on this basis that negotiations are concluded, or very nearly concluded, and Greece will, I firmly believe, sign the Treaty of Rome with the President-in-Office of the Council by 30 June.

In these last four years, opposition of course has grown in Greece itself. Disillusionment has communicated itself to a certain section, albeit a minority, of the Greek people. We have noticed this at recent meetings of the Joint Committee. So I was particularly glad to hear Mr Edwards's speech about this matter, and I hope he will lose no opportunity of speaking to his colleagues in the Pan-Hellenic Socialist Movement in Greece and pointing out how much can be achieved from within the Community, by negotiation from inside, rather than by firm resistance against accession. The plan of working from inside a club for reform which is necessary to a certain Member State's national interest produces better results than a refusal to participate or indeed a threat to withdraw. It is not a question of defending national interests more strongly by menaces, it is simply a question of producing the best result, and experience would seem to tell us in the years that the

### Lord Bethell

Community has been in existence that more can be achieved by working from within than by working from without or by threatening to go without.

This will, I hope, be achieved within, the next few weeks. The ratification period will set the seal on the work that we have done over the past four years and I look forward with great expectation, as does our Group, Mr Chairman, to Greece's accession by the beginning of 1981 at the latest. Greece is the country which gave us not only the name 'Europe', through its language, but also the word 'democracy' and the idea that every citizen has a right to participate in the government of a country. This was the ideal of Athens in the 5th century BC, and it has never been forgotten by the countries of our continent. It will be a great day when Greece joins us and becomes part of our number.

*(Applause)*

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

**Mr Berkhouwer.** — (NL) Mr President, from the outset my political colleagues and I have always been strong advocates of Greek accession to the European Community. We see this subject of accession as vital to the existence of our Community. At a meeting of the Political Affairs Committee only a few days ago someone asked, as I am sure Mr Bertrand will recall, what are we actually discussing? Accession is above all a political choice which we have approved from the start.

The Community has now been in existence for 21 years but when it was born all those years ago the founding fathers already said: we do not want to remain limited to six members. For us in the liberal group enlargement has been a political imperative from the very beginning. It is also enshrined in the preamble to the Treaties of Rome. From the start we called upon all the nations who shared our ideals to join forces with us. That appeal was heard to the extent that, as previous speakers have recalled, the association with Greece was concluded in 1961. In other words Greece was very soon linked to us, as is hardly surprising. Greece has after all always been a European country. Unfortunately there was then a dark period in the rich history of the Greek people who have lived through so many vicissitudes and experienced so many political storms. The country fell under the yoke of the totalitarian regime of the colonels. Here I strongly endorse the words of Lord Bethell. We have no call to congratulate ourselves on this but it is a fact that in those dark years we kept the light of Europe burning in the darkness of Greece. The Council of Europe deserves credit too because it fought as hard as we did to keep that light burning in those troubled years.

The previous speaker mentioned the late Sir Peter Kirk and other politicians. I personally shall never forget that day in July when, on behalf of this Parliament, I welcomed the advent of President Karamanlis to power signalling the rise of a new democratic sun over Greece.

We are dealing here, first and foremost, with a political imperative for the existing Community. We have already witnessed enlargement from six to nine and we shall see a further enlargement to ten and then twelve. We have previously considered the question as to whether the three new applicants should join simultaneously or in succession. We favoured a global approach. I have always maintained that there should be a coherent link between the accession of the tenth, eleventh and twelfth members but that there was no need for a simultaneous solution. We now welcome the fact that Greece is to become the tenth member of our Community pending the later accession of Portugal and Spain. It would be interesting to learn whether the Commission subscribes to a particular position on the chronological sequence of accession. Quite clearly the greatest problems will be created by the accession of Spain — this will present by far the greatest difficulties.

There is also the question of balance. When the United Kingdom, Denmark and Ireland joined the Community the emphasis shifted to the North-West. Now Greece will be joining us in the South-East on our Mediterranean flank. There will then be a more balanced Community — a Europe spreading from North to South — although a few countries will still be missing. Let us hope, as our resolution states, that the accession of Greece will be followed by membership of the other countries which are still missing in our Community. Let us hope that the membership of Greece will lend a fresh impetus to enlargement.

Mr President, it is a significant coincidence that Greece is preparing to join the Community at the very time when the EC is about to be strengthened in its democratic foundations through direct elections to the European Parliament. Lord Bethell referred to Greece in the fifth century BC. It is not irrelevant to remember that in the same fifth century BC, Pericles, in his address to the Athenians in the year 428 to commemorate the victims of the Peloponnesian war, outlined the principal characteristics of democracy.

Twenty-two centuries later, Lincoln also spoke to commemorate the victims of the civil war in Gettysburg: he said that the essence of democracy was government of the people, for the people, by the people. 'By the people' implies the participation of the citizens in their own government.

**Berkhouwer**

We are about to confirm this principle through European elections which will extend and improve the participation of the citizens in the process of European unification at the very time when Greece, from which so much has been handed down to us, is preparing to join our Community in order to strengthen its own democracy — but also the democracy of the entire Community including Spain and Portugal.

I cannot stress too highly that the accession of all European countries, from North to South, is a political imperative which is enshrined in the Treaties. Obviously there are difficulties. There are the problems of unemployment, of southern fruits, apples, lemons and so forth, but allow me to repeat yet again: Europe is not a matter of bread and wine but a matter of political ideals. We want to bring all the people of Europe together in a political union. That is the fundamental issue. We want to see all our peoples enjoying the greatest possible freedom — without regard to the problems of southern fruits, wine and milk. We are convinced that the signing of the agreements will take place shortly. I should like to hear from Mr Natali when he expects the contracting states to place their signatures on the documents. I assume that the treaty will enter into force on 1 January 1981. I presume that the transitional period will be flexible and perhaps not identical for all the different sectors. Could Mr Natali give us more detailed information on this?

Mr President, I shall end with an institutional consideration which is not new but needs too to be looked into closely as the matter is now urgent. We shall shortly be 410 members here in Parliament, and we shall then be joined by the Greeks. This will present us with language problems and also a number of technical difficulties. I personally shall look upon it as a pleasure to be able to read documents in modern Greek. But the foremost problem is that there will shortly be ten countries sitting at the table; it will then be difficult to maintain the unanimity rule — if indeed possible at all. Unanimity will become increasingly difficult to achieve with ten, eleven and twelve members. What are the Commission's views on this? I am not saying anything original — only drawing attention to the obvious. And unanimity is not the only problem. There is also the Luxembourg agreement — the 'agreement to agree' in cases where a country maintains that an issue touches on its vital interests. But we have set about all this the wrong way: unanimity has become the rule for practically all decisions.

It begins at the level of the national officials and then goes on to the EEC officials. Unless they can reach unanimity nothing gets off the ground. We in the Netherlands have an old saying 'the more the merrier.' But as our Community becomes larger so the

unanimity rule becomes less and less tenable. I would therefore appeal to the Commission to draw the attention of the highest bodies in the Community to the need for the Luxembourg agreement — if it is to be upheld at all — to be applied only in instances when the vital interests of a particular country are really affected. This criterion should not be applied in matters such as the size of jam jars or the shape of vehicle tail lights...

*(Interruption by Mr Cointat)*

...To judge by his reaction, Mr Cointat does not agree with me. He still wants unanimity on jam jars and tail lights. Yes, that is what Mr Cointat wants — but I do not. That is why I have put my request to the Commission.

*(Applause)*

**President.** — I call Mr Eberhard.

**Mr Eberhard.** — *(F)* Mr President, may I make it clear at once that I am speaking on behalf of the French Communist members of this Assembly. I would first like to point out that we are debating a text which was brought to our attention only at a very late stage. That is not a satisfactory way of working and if our debates are to be serious it would have been wiser to postpone this discussion to a later date. However, I realize that to do so would not have accorded with the wishes of the fervent advocates of enlargement. They are very worried and their concern has come to light in some of their speeches. We all know that the political forces opposed to enlargement in Greece are increasing their influence with each day that passes. This is apparent from the election results achieved by the Greek communist party and the Panhellenic socialist party; since there is nothing to prove that the electors who support the present governing majority are unanimous on this point, it is not unreasonable to suppose that democratic opposition to accession is already representative of a majority of the Greek people.

Is this not why Commissioner Haferkamp wrote in a German journal: 'Can the Community remain indifferent to the presence or lack of social and political stability on its Southern flank'? Be that as it may, it is easy enough to understand the growing opposition of the Greek people to the accession of their country to the Community. On the one hand they know that the Europe which is open to them is a Europe of severe austerity for the workers and of accelerating concentration of the multinationals. It is a Europe of unemployment, inflation and increasing disparities between countries, a Europe of monetary instability in which the Deutschmark reigns supreme. It is a Europe of persistent impoverishment in which, according to a Commission study, 52 % of all Europeans state that they have to accept certain sacrifices.

**Eberhard**

Under these conditions, how could the Greek people believe that what has been disastrous for the people of the existing Community could suddenly prove beneficial after the accession of their own country? The contrary will in fact hold good. We are convinced that all the harmful consequences will become still more detrimental. It is instructive to read the Commission's documents on this subject, with particular reference to agriculture, textiles and the growth of unemployment — already a scourge of the existing Community. At the same time it is quite clear that some of our present Governments which all follow a policy of austerity would not fail to take their inspiration from the more negative aspects of the Greek Government's policy and try to amend their own social legislation on the pretext of facing up to new competition. This is a well-known refrain. To take just one example, when we consider that 70 % of the vessels in the Greek merchant fleet — the third largest in the world — sails under flags of convenience, how could we expect Community shipowners not to try to imitate their example?

Apart from the economic aspects, the political role which the Community wishes Greece and the other applicant countries to play, is at least equally important. Even if the arguments are shelved for the duration of election campaigns, there is no lack of declarations by leading politicians and in Community documents explaining that enlargement to include Greece, and later on Spain and Portugal, would call into question the working of the Community institutions as they exist at present; in particular we have just heard that the application of the unanimity rule in the Council's decision-making process should be abandoned. That is a serious aspect which is liable to adversely affect the national independence of our respective countries — it is a development against which we protest with the utmost vigour.

There is another no less serious aspect relating to the strategic objectives of this enlargement. Last year we were able to read in a German newspaper that the accession of the three new countries would safeguard the southern flank of NATO. That statement is confirmed by the President of the Greek Republic himself in his book entitled 'Greece and Europe' in which he seeks to demonstrate that 'the presence of Greece in a united Europe will be beneficial to Europe as a whole to which Greece offers its strategic emplacement at one of the most sensitive points on the frontiers of Europe'. We, for our part, have a different view which happens to coincide with the views of the Greek people. We are convinced that enlargement would heighten the difficulties facing our peoples and complicate the problems of the Greek and French economies. It would be one more step towards the formation of a supranational Europe dominated by Federal Germany and the United States. We think that there is still time to oppose this develop-

ment. That is why I wish to state on behalf of the French communist members that I am unable to vote in favour of the report placed before us now.

**President.** — I call Mr Dalyell.

**Mr Dalyell.** — Mr President, whilst I would in no way wish to minimize the potential political advantages outlined by Mr Scelba and others, which could result from Greek membership, both for Greece and for existing members of the Community, before making such a major decision we really should remove as many illusions as possible. My own interest in this goes back to two years' membership of the EEC-Greece Committee, and I have also taken an interest in this in relation to the work of the Committee on Budgets. I am bound to say that I have certain reservations about Mr Amadei's report on Greek application, because I don't believe that sufficient emphasis is placed on the massive problems that Greek membership will create, both for the Greek economy and for the Community's economy, and we must remember that the kind of arrangement which we come to with Greece will effect the kind of arrangements we come to with Spain and Portugal. Nowhere in the report of the Political Affairs Committee is stated the kind of economic aid that Greece will require and the size of the aid the Community is prepared to give. If we recall the annual haggle that takes place over the Community's budget, often involving relatively minor sums, as those of us who work on the Budget Committee know only too well, it really would be wrong to assume that the Community's pocket is a bottomless pit capable of matching any requirement placed upon it.

Nor is the reticence of Mr Amadei on these financial matters a surprise, since the Commission's much-vaunted 'fresco' on the economic and financial consequences of enlargement is particularly reticent when it comes to providing concrete figures. All that was provided in that document was a budgetary stimulation for 1978 based on a lot of arbitrary criteria excluding all calculations of the monetary effects of enlargement and not taking into account any special aid to remove regional disparities.

As yet, the Community has not agreed on any special enlargement fund. Knowing the speed with which such funds might be disbursed, it is highly unlikely that Greece would benefit from any Community expenditure of this kind before the beginning of 1981. Greek membership would serve to shift the balance of spending within the Community once more towards the CAP spending and precisely in the opposite direction to that wished by this Parliament. Furthermore, as we move tentatively towards a common fisheries policy, the very large number of people involved in fishing in Greece should be borne in mind. Again, in some of the areas where the Community is assuming

Dalyell

new responsibilities — perhaps unadvisedly, perhaps advisedly — such as shipbuilding, where the European industry as a whole is in decline, Greece has considerable strength with large numbers employed. Therefore the figure provided in the 'fresco's' 1978 budgetary simulation of an overall 700 to 750 million units of account as a result of Greek membership seems exceedingly optimistic. Even this figure, however, involving a net transfer of some 400 million units of account, should be sufficient to make certain member governments hesitant in view of the rear-guard action that they have been fighting over, for example, the Regional Fund.

Two further points. The administrative effects of enlargement: how many extra posts is this going to make necessary for the institutions? Has anybody even now done any serious thinking about the effect on the already overburdened language services and other facilities offered by the institutions? Finally, the Commission's 'fresco' is noticeably reticent about the financial effects on other Mediterranean countries following Greek accession. Already certain of those countries — I am thinking particularly of Turkey, but not only of Turkey — have been presenting the Community with very large bills which they consider will need paying by the Community following enlargement. There is a danger of a massive reduction in the market for some agricultural products from some of these countries. The Commission has made no serious attempts to quantify the effects which will inevitably follow upon enlargement.

In view of these considerations and in particular the absence of serious information, I don't consider that Parliament is in a position to provide any considered view whatsoever on Greek membership, which I personally believe to be in danger of fostering illusions both here and in Greece. Mr President, some of us want Greek entry to be a success: if we foster illusions, it won't be the success that most Members here hope it will.

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

**Mr Brugha.** — Mr President, I would like to thank the rapporteur for presenting us today with his assessment of the application made by Greece for accession to the Community. It is not very long since Ireland and Denmark joined our Community, and in that time, political, economic and social developments have taken place, often at a very rapid rate. When my country, Ireland, joined in 1973, our economic performance in the first year alone showed a considerable improvement, and provided an example not only of the immediate impact of membership of the Community, but of the determination of my country at the time to ensure success. During the following period of recession, there was a turn-down in the economy, but

over the past 18 months, I think, a considerable move forward in my country has been recorded. Indeed, the Commission has set out that no other country in the Community at the present time can show such a growth-rate as we have experienced over the past two years.

I am pointing this out, Mr President, so that it may encourage the Greek people to work towards accession with unswerving dedication. The application of Greece to the Community is not something unexpected, because the Community is open to all democratic countries which apply for membership provided they undertake to respect the rules laid down in the Treaty of Rome. The right of Greece to seek membership of the Community was further strengthened in the Athens agreement, and I believe we must stand by the text of that agreement and do all in our power to ensure that this accession is not any further delayed.

We have an opportunity now to show that Europe does have new targets, that it is not suffering from stagnation of ideas, that it sees enlargement as a basis for strengthening Europe and as a challenge to all of us. There are those who have said that the economic and monetary system would never get off the ground. It is doing so, I believe. There are those who believe that Community enlargement will harm the present makeup of the nine Member States. We must prove otherwise. We must prove that enlargement is good for us, that it strengthens our Community, by bringing together countries with long-established ties. I believe the accession of Greece will add another strong and democratic voice to the European Community, it will strengthen the bonds of friendship that already exist between our countries, it will bring new ideas from a nation that has already given us so much in the past. Greece, in particular of the three applicant members, and my country, Ireland, have many things in common, and we are particularly anxious to see our Greek friends in the Community, as soon as possible. Indeed, we would suggest that the agreement to be signed this year should, if possible, be signed, because of its historical context, in Athens.

Mr President, accession by the three applicant countries should be seen, I believe, as a natural development for our Community if we are to follow through with the ideals of the Treaty of Rome. These applicants belong, culturally and historically, to Europe, and their eventual accession will ensure the balanced development of Europe. In this sense, we should all see enlargement as a worthwhile aim. Members have spoken of difficulties and problems. There are, and there will be, problems, especially economic ones; but these must be seen not as barriers or obstacles to further progress, but as problems that have to be overcome. It is not so much a question of the new members as of how the problems are dealt with, and in this connexion the Council should ensure in

**Brugha**

advance that appropriate financial measures are indicated so as to ensure that the momentum of regional and social development is maintained. The necessary fiscal provisions should be written into the budget, so that our citizens will all know what the contributions necessary for the development of Europe will be.

Finally, there is need for a greater consciousness of the historical developments that are taking place around us, and there is need, amongst all the citizens of the Community, for political understanding of these historical developments. Our joint efforts are, and will be, necessary to enable the European spirit to flourish and for Europe to fulfil her role in human affairs. I welcome Mr Amadei's report.

**President.** — I call Mr Blumenfeld.

**Mr Blumenfeld.** — (*D*) Mr President, I support Mr Amadei's report with all the respect and sympathy that befit a difficult and problematic task because producing this report in a relatively short time in the face of fairly frequent changes in the circumstances was no simple exercise, one particular reason being the fact that political questions and problems were frankly acknowledged in the Political Affairs Committee which Mr Amadei has included in his report.

I was prompted to say this with reference to a Member's comments in this discussion and because I feel that Greece's accession — though it may not be an event that we have not long seen approaching — is now politically under some pressure of time.

I do not criticize this fact, I just note the point. I note that, because of a political timetable, several problems could not be fully discussed and solved by the Commission. Our belief is that the Community's economic and also non-economic problems in our relations with third countries and particularly those in the Southern Mediterranean area can still be solved in the future, possibly in June when, as we hope, Athens signs the agreement between Greece and the Community.

However, Mr President, the satisfaction that has been expressed in the discussion in the plenary assembly, with which, of course, I would like to associate myself, should not be allowed to hide the fact that we still have some quite considerable problems in front of us precisely because of the fact that Greece is the first of three countries applying for Community membership and will lead the Community into the danger of reaching a situation in agricultural production that will go far beyond self-sufficiency and turn the Community into a net exporter.

This is not a prospect promising success for Greece and the other countries that want to join but we must be careful to ensure that the Community, for Greece's sake and later for that of the two other countries, is capable of meeting the worldwide economic challenge

and will not fall back into antiquated self-sufficiency which will not help us to solve our problems as an industrial society.

Allow me therefore to say, Mr President, with great clarity that I can still see major problems before us, for example the penetration premiums in the agricultural field, that will have to be solved. I hope that Mr Natali can give us some reassurance here.

One last word: Mr Amadei's report includes a passage worth calling your attention to. It reads:

trusts that the accession of Greece will not adversely affect the right of future applicants to be accepted for Community membership.

This refers in particular to Turkey's right to continue to play the part in our Community that it has so far played as associate member like Greece. I would like to stress this point most emphatically so that this political and economic question is not pushed aside because of Greece's accession but will continue to be an important concern of this Parliament, its members and the Commission and Council.

I would go as far as to hope that the signing of the negotiations between Greece and the Community will help to smooth out the political problems between Greece and Turkey highlighted three years ago in a plenary part-session of this Parliament and that we may look forward to solutions in the Aegean and in other areas that are more satisfactory and speedier than has been the case in the past. From this standpoint I also hope that the signing of the agreement in Athens will open a new chapter in relations between the Community and its Southern member countries — in this case Greece and, in the future, Turkey.

**President.** — I call Mr Spicer.

**Mr Spicer.** — Mr President, I am delighted to follow Mr Blumenfeld because much of what I will say — and I will say it very briefly indeed — follows exactly the lines on which he has already spoken. I think we all ought in this Parliament to get one thing clear in our minds, that over the years in relation to Greece, in relation to Spain and in relation to Portugal not only the people in this Parliament but also the leaders of all our countries said time and time again, when the happy day dawns and you become democratic once again then we will bid you welcome into the European Community and back into the democratic fold. Now, that is a promise made, and that is a promise that must be kept. That is a political promise, and whatever economic difficulties may result from the accession of Greece, Spain or Portugal, we must hold firm to that promise. Because if we do not do so then the consequences for this Community could be disastrous in the years ahead and indeed we would rightly deserve such disasters, since we would have brought them upon our own heads.

## Spicer

I accept all the problems that Mr Dalyell has outlined from the budgetary point of view, I accept all the economic difficulties. I accept the problem of flags of convenience, public health, environment, consumer affairs and everything else but it is the political will of this Community that is at risk, it is our political honour that is on the line in this respect.

If I may say so, the spokesmen for the French Communist Party said what I would have expected him to say, and at one point he even went so far as to state that we agree with the Greek people that there should be no entry into the Community. That, Sir, is double-talk of the worst order. The majority of the Greek people wish to join the European Community and we look forward to their entry. If there are some in Greece on the Socialist side, on the Communist side, who do not wish to see that happen they are in a minority, as a referendum in Greece would prove. I hope that is acceptable.

I think personally that the whole of this report is summed up very consisely on page 10 where the following note is made: 'Greek membership is justified first of all on political grounds and because it is felt that it would add weight to the democratic structure of Europe.' I agree with that completely. I also agree, because I happen to believe in a democratic and free Europe, that the entry of Greece is not only of political importance but gives us increased strategic stability on the southern flank; and that is important to me. There may be some who pretend that this plays no part and the Community has no role to play in this area, but they are wrong.

If I may make my final point, Mr President, I agree wholeheartedly with the point made by Mr Blumenfeld. There are many people taking part in this debate who serve on the Greek committee, there are others of us who serve on the Turkish committee, and we know that we are bidden by the Parliament and quite rightly so — not to bring in in any way the bilateral problems that exist between Greece and Turkey. We accept that ruling by the President, and it is right that it should be there. But equally there is no point in disguising the fact that the bilateral problem between Greece and Turkey cannot be ignored when discussing Greece's entry into the Community. And I would support what Mr Blumenfeld has said in that respect. Indeed, I had hoped to put forward an amendment, on behalf of my group, but we decided that it would be much better if I just spelled out what our view is in this particular context. You see, Mr President, paragraph 12 of the report states that it is convinced that once it has become a member of the Community, Greece will encourage the membership aspiration of other European countries. If you want to take a narrow view you could say that this means Spain and Portugal, and of course in their case that will be so. But I would have hoped that we might have been able to spell out in more detail that Greece will support the membership aspirations of other Euro-

pean countries and especially of Turkey, because the long-term aim of this Community is an enlargement which will include Turkey. There should be no doubt in our minds that as a Community we have made that promise to Turkey, and however long it may take that is the ultimate aim. Mr President, if the majority of the Greek people wish to join our Community, if the Spanish people do, if the Portugese people do then the same equally applies in Turkey today of the Turkish people. And I believe it is in the interests not only of Greece but of the Community that on every possible opportunity it should be spelled out that the accession of Greece to the Community, which we all welcome, will in no way debar Turkey's entry or in any way make Turkey feel that she is unwanted by the Community as a result of Greece's accession. I am certain that is in all our minds, I am certain we would all support that view and I hope we will continue to do so after the happy day when Greece joins the European Community.

**President.** — I call Mr Broeksz.

**Mr Broeksz.** — *(NL)* Mr President, I think we are all agreed that the Amadei report is of the utmost importance not solely for the Greek people but also for the Community. This is why I am surprised that a number of closely related questions, like that of agriculture and the Social Community referred to in paragraphs 5 and 9, have not been on the agenda as such in the relevant committees. Only the opinion of the Committee on External Economic Relations is attached to the Amadei motion for a resolution. I do not think that is enough and I must say I regret it. In so important a matter I feel that other committees, closely concerned by this question, ought to have been consulted. Paragraph 5, for example, rightly refers to agricultural policy and the implications for agriculture and there are various other references in the motion that illustrate my point. One illustration is paragraph 9 where the question of social affairs arises and I would therefore like to ask for further information on this point. The fact is that I am somewhat concerned about what is said at the end of that paragraph, namely that considerable difficulties could arise through the immigration of Greek workers into the present Community. The motion says — rightly in my view — that this question needs to be looked at seriously, but the end of paragraph 9 reads 'while the use of a safeguard clause should not be ruled out as a last recourse'. I looked for an explanation of this passage in the report but I found nothing. I would therefore like to ask for further information. What is men, in practice, by saying that use may be made of the safeguard clause? Does it mean that it may be decided at a given moment — I do not know because I cannot check it — not to allow any more Greek workers into a particular country? Or does it mean something completely different? Who is to decide? Some of the Member States mentioned in paragraph 9 or the Community?

**Broeks**

That is not clear either. I would therefore like to know who is to take such a decision — the individual Member States or the Community? These are points which, to my mind, ought to have been thrashed out and I would repeat my regret that the Committee on Social Affairs has not been consulted on this question. I also feel that the Committee on Agriculture ought to have produced a report. For the rest I am indeed largely in agreement with what is said in the report although I can also well understand that Mr Dalyell should be disturbed but I agree with the principle that, politically and morally, we are bound by our promise to accept Greece into the Community.

**President.** — Mr Broeks, I think you are now a bit too late with your complaint about why more, or other, committees have not been brought in on this. The President decided the Political Affairs Committee should be the committee responsible and the Committee on External Economic Relations asked for its opinion. The other committee chairmen — for example, that of the Committee on Social Affairs, Employment and Education — would also have had the opportunity at that time to make their feelings known. Unfortunately that did not happen. On the other matters, I am sure the chairman of the Political Affairs Committee will have something to say.

I call Mr Bertrand.

**Mr Bertrand.** — (NL) As Chairman of the Political Affairs Committee, I would like to take this opportunity to thank Mr Amadei sincerely for the considerable effort he has put into framing a motion for a resolution on so difficult and delicate a subject in which the concern and anxiety of all groups about Greece's accession find their expression. From this discussion I have the impression that the whole of Parliament — except for the French Communists — agree that his report faithfully reflects what we all hope, namely the speedy accession of Greece to the Community.

I would also like to take this opportunity to congratulate the Commission, and above all its Vice-President, Mr Natali, for the diligence and rapidity with which they have conducted these negotiations and for achieving positive results more or less by the target date. We fully understand that it is always the last details that are the most difficult, in other words the most delicate problems are the last to be dealt with.

At the time, we said yes to Greece's application for membership and we cannot go back on that. It is our conviction that Greece's accession is necessary for political reasons to strengthen democracy in that country but also to strengthen democracy in the Community. We also believe that, in its culture and history, Greece belongs to the European Community. On this I feel we are all agreed.

Secondly, in 1961 when the Association Treaty was signed with Greece we expressly stipulated in that

Treaty that association was agreed upon with a view to that country's full membership. If no changes had taken place after 1961 in the internal political situation in Greece, then it would probably already be a member of the Community.

Thirdly, we must not forget that Greece is acceding to an economic Community, in other words a free market, production and trade in goods, free movement of goods, persons and capital in an organised customs union. I cannot help saying how surprised I am that there seems to be so much concern about the disruption that the accession of this small country might cause in the Community. At the moment the Community has a population of 250 million. It is not possible for 9 million Greeks to set off serious trouble in the Community. But, on the Community's side, the decision to accept Greece as a member implies a new gesture of solidarity whose purpose is to enable this country that is not one of the rich industrialised states and has still a certain leeway to make up, to master its difficulties. That is the problem, not the fear that Greece's accession may disturb the equilibrium in a Community with the industrial potential, technology and know-how that it has. We have no need to be afraid that this small country might put our Community into a difficult position. Let us not exaggerate. Let us take a broad view of the problem and shoulder the obligation of solidarity implicit in the accession so that it may be set in motion as quickly as possible. At the same time we would point out that the accession is not simply to the free market that I have just referred to but also to a common agricultural policy, the only common policy that we have brought into being. Our agricultural policy has always been founded on three main goals: ensuring the Community's food supplies, at normal prices and with a guarantee of reasonable incomes for farmers. These are the three main goals of the common agricultural policy. This, too, Greece is adopting in its accession, with the responsibilities deriving from that common agricultural policy with regard to prices, quotas, volume of production, etc.

Thirdly, Greece is acceding to political co-operation at intergovernmental level. This can only be a very welcome asset to the country. The fact that the Communists are against this accession is — in our view — the strongest argument that we have chosen the right road in having the Greeks join the Community as quickly as possible. This can only make the Community stronger which is naturally not to the liking of our Communist friends. They, of course, cannot act solely at the national level, they probably have to carry out certain instructions in the international context.

Greece will also be acceding to an area of monetary stability and will have to assume certain responsibili-



**Bertrand**

ties in that respect because, as a small country, it will come up against certain difficulties. We should therefore have enough courage to support the Greeks in the monetary field so that they are able to keep their rate of inflation down and successfully accede to this area of monetary stability.

But, as Mr Scelba and Mr Spicer have both said, Greece is in conflict with Turkey and Cyprus, two countries with which the Community has concluded association agreements. We therefore have a responsibility, because of our association agreements with Cyprus and Turkey, to ensure that any differences of opinion among the three countries do not have the effect, at a later date, of preventing these countries too from becoming members of the Community. The European Community must take care to see that other countries are not excluded from membership by the unanimity principle because of the accession of a particular country.

Now I know very well that under Article 237 of the Treaty, unanimity is required in the Council before a new country can join the Community. Thus, once a country has become a full member, it can invoke the provisions of the Treaty but we feel that the Community is under a moral obligation, in the negotiations with Greece in the Commission and later in the Council, to reach agreement on a protocol or annex to the Treaty of accession giving this guarantee for the future to Turkey and also to Cyprus if that is necessary.

Those, Mr President, are the points I wished to put forward in order to show that we should not exaggerate, in the Community, about the accession of 9 million Greeks as though this were a threat. As a Community with our high living standards, our economic development and our normal general growth, it is up to us to show our fellowship and solidarity towards Greece so that we can bring this country into our circle on the same footing as soon as ever possible. This is the basic principle that I wanted to stress.

*(Applause)*

**President.** — I call Mr Eberhard.

**Mr Eberhard.** — *(F)* Mr President, I cannot let Mr Bertrand's comments pass — they suggest that in my speech I was following certain international instructions.

I think that I am in a good position here to say that we are the only party in this Assembly that has no international ties and, unless I am mistaken, Mr Bertrand himself is part of the European Popular Party which includes all the Christian Democrat Parties of Europe.

We decide our policy in Paris and we take no instructions whether from Berlin, Washington or Moscow. Our policy is produced in Paris and our line of action is the defence of our country.

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — *(I)* Mr President, ladies and gentlemen, I too would like to preface my remarks by thanking Mr Amadei for his report and all the speakers who have taken part in this debate.

With your permission I would like to make a comment of a more or less introductory nature. Both Mr Amadei's important report and a large number of the speeches made by the representatives of the various groups referred to the general problem of the enlargement of the Community with reference not only to the problem of the accession of Greece but also to the applications for membership from Portugal and Spain and other possible applications that might be submitted.

On this first point, so as not to waste too much time, I would merely like to refer you to what I said in this House on 17 January of this year when Parliament discussed the Pintat report on the institutional implications of enlargement. On that occasion the positive and favourable political response that should be made to all the applications that had been submitted was stressed on all sides — because of their significance and importance and for consistency not only with the wording of the preamble to the Treaty of Rome but also with the political principle followed by Parliament and the Community, that of upholding liberty and democracy.

It is against this background that we acted and intend to continue to act — a political response, too, as regards the internal life of the Community itself and its re-equilibrium in territorial and geographical terms.

I am simply recalling the statements that I made in this House when we were tackling a number of specific and particular subjects that have been brought up in certain speeches today. I would like to recall the speech made by Mr Berkhouwer, who referred to aspects of the Community's decision-making process. I remember that in this House I made the point that this was a problem which the Commission raised, I think, in paragraph 41 of the document that was called "fresco" and that we unquestionably agreed that it would be wrong to think that the accession of these countries created these problems. The problem of rethinking the decision-making process in the Community we already have here and now in the Community of the Nine. The accession of other countries may accentuate the difficulties but it does not alter the fact that we ought to try to solve them now.

## Natali

At that time I also said that the process of enlarging the Community implied another affirmation of a political nature. We do not think that the evolution of this process should mean that we should conceal or deny the economic difficulties undoubtedly involved in this impact with structural and economic conditions that are radically different from those we currently know in the Community but I added and will add today that all this should not halt us in our path. From one standpoint, in fact, our negotiations with these countries represent our joint effort to achieve the common objective of harmonious growth in the Community not by refusing to recognise the problems — because we have to react against those who think they can say that the problems do not exist, perhaps with the secret intention of weakening the Community, and against the creation of a sort of free trade area — but we ought also to contest the position of those who think that identifying problems means, to some extent, saying it is impossible to proceed with the enlargement process.

All these things that I said on that occasion I wanted to repeat today but I also, and above all, want to stress something which we said and confirmed then — and which was echoed here in this House too — and that is that though we have an overall picture of the problems involved in the accession of three new countries, all in the Mediterranean area, the negotiations had to go forward as they have done, treating each country according to its due. And all this is particularly important to remember at a time when the negotiations with Greece are reaching their final phase.

Negotiations with a country which, unlike the others, is linked to us through an association treaty which, as has been recalled here, envisaged accession. With a country — Greece — which, for example, was unable to go as far as certain stages laid down in the association treaty such as the harmonization of the common agricultural policy because, in a political act which I fully support, the Community froze all development in its relations with Greece when the dictatorship came to power. A country therefore which found itself in an indescribably different position with regard to the other countries.

I wanted to make this point because it is clear that when we begin the relevant negotiations — in autumn I expect — with Portugal and Spain we must keep the general picture in mind but we must also remember — I repeat — the special nature of the Greek situation.

This having been said, I would like to say, as regards Greece, that the progress we have made in the negotiations is considerable. Admittedly we may all deplore the fact that so much time has gone by. Greece made its application in 1975 and now we are in 1979. But if we look into the heart of the problem we have to say that perhaps, all things considered, the time has not

been wasted. A whole series of things had to be done — studies on problems, the examination of data, all of which took time. As regards the activity of the Commission I would simply recall that the last Greek documents in reply to our questions were submitted on 17 December 1977 and that the Commission submitted its first mandate proposal early in January 1978. In the space, therefore, of little more than one year we have made rapid progress if it is true — as it is — that in a series of sectors, a series of problems have already received the agreement in principle of the Community and Greece. And I am particularly satisfied to note, Mr Amadei, that the important questions that have already been solved are listed out in the motion for a resolution before Parliament today. These are the transition period, the free movement of workers, and agriculture. And these points — as I have already said — are given in the motion for a resolution.

Early last year we had already carefully examined the dossiers on customs union, steel, Euratom, the movement of capital, economic and financial affairs, state aids, regional policy and the Institutions. In the tenth ministerial meeting — held in December 1978 — we reached agreement, as I said, on the essential issues under negotiation: transitional measures, agriculture and social policy. It was agreed to fix a five-year general transition period and a seven-year special transition period for some market garden produce in the agricultural sector and a period of seven years for the free movement of workers. And in this connection I would like, with your permission, to support the comment made by Mr Broeks with regard to the fact that, under the agreement signed between the Community and the Greek delegation, the transition period for the free movement of workers will last seven years, so I do not see — my apologies to the rapporteur — the reason for a safeguard clause just in the social sector. Probably it was thought that this problem of the free movement of workers should be solved. We preferred the answer of having a seven-year transition period to prevent the principle of free movement, which cannot be challenged, being triggered off immediately with effects which — at the economic level — could certainly be of no interest to Greek emigration at the present stage but could be negative for the whole policy of employment in the Community.

From these brief comments, Mr Amadei, you can see that your principle — spelled out in the motion for a resolution — of juggling with the transition period, providing for longer transition periods than five years for certain specific sectors, as the need arises, and making a gradual process of the reciprocal introduction of the Community economy into Greek life and of the Greek economy into Community life is something that we have tried to achieve in the negotiations. As regards the fishing industry it does not seem to me that, in Greece's case, any major problems should arise in the relevant negotiations in view of the coun-

## Natali

try's geographical position. Taxation, the right of establishment, processed agricultural products and, in particular, the question of Greece's participation in the Community budget are extremely important subjects, particularly the latter. But by constant observance of the principle of looking for points of convergence between the reciprocal interests in the negotiations, I think that, in the near future, we shall be able to make sufficient progress — or so I hope — that it will be possible to finally wind up any outstanding points at the next ministerial session to be held on 3 April next. In this way we would be keeping to our timetable according to which it should be possible for the treaty of accession with Greece to be signed in early summer (end of May or early June). Then the process of ratification will begin in the various national parliaments and I think it would be reasonable to hope for this process to be completed in time to allow Greece to join the Community on 1 January 1981.

In this connection I would also like to stress something I regard as relatively important and that is the requirement that Greece, once it is in the Community (not during the transitional period which does not involve full participation in the life of the Community), should be represented at every level and therefore in the European Parliament. In this context, since Greece will be joining after the first Parliamentary elections by universal suffrage but before the expiry of Parliament's five-year mandate we have agreed certain transitional measures whose purpose is to ensure Greece's representation in this Assembly from the time it joins up to the expiry of Parliament's five years.

Greece, as you know, will be entitled to 24 representatives. We decided to leave Greece free to choose between a group by-election valid just for this shortened period, and the appointment — as an exceptional measure — of delegates by the Greek parliament with a valid mandate to hold office until the second general election. We thought it was best to leave the Greeks free to take this decision because we felt that, particularly in this first phase, it was necessary to underline our respect for the independence of the Greek parliament in decision-making where we feel there is a substantial majority in favour of Greece joining the Community.

The Members who have spoken have all stressed one problem, that of the relations between Greece and the other countries in the Mediterranean area. In his report, Mr Amadei highlighted the concern about the possible effects of Greek agriculture's entry into the Common Market on relations with a number of countries in the Community and in the Mediterranean region and asked what the Commission was proposing in this connection and what the Community intends to do. As regards the problem of agricultural relations in the Mediterranean area and particu-

larly with the French and Italian agricultural industries we have made provision — as I have told you — for a longer transition period for some sensitive products but at the same time we cannot fail to remind Members that 90 % of Greek agricultural production already comes into the Community under the treaty of association. This means that Greece already enjoys special treatment compared with other countries and explains why, of course, we feel that the five-year transition period for all agricultural products is reasonable. I would like to stress that accepting this arrangement can cause problems not only for the Community but also for Greece. You merely have to think — as the chairman of the Political Affairs Committee pointed out — of what Greek acceptance of the Common Agricultural Policy means with all its implications in certain sectors like grain, milk products and meat products. As you see a whole set of problems arises on both sides.

For the particularly sensitive products we propose a seven-year period within which we believe that agricultural structures both in Greece and in the Community's Mediterranean areas can adjust and adapt reciprocally. Herein lies the significance, for example, of the so-called 'Mediterranean package' which, as Mr Amadei knows, has been approved by the Council of Ministers of Agriculture.

That does not mean to say that other problems may not arise or that other actions can or should not be planned. We have outlined them in our paper and we also intend to put forward other proposals if they should be necessary.

I would like to tell Mr Amadei and the other Members concerned about the possibility of abnormal events in the industrial field that we have included a general safeguard clause in the treaty of accession against the possibility of serious disruptions similar to that contained in Article 135 of the Treaty of Accession of the United Kingdom, Denmark and Ireland.

As regards relations with the countries in the Mediterranean basin and more particularly the competitiveness of/or competition in agricultural products, it seems to me, in the light of the facts I have given, that Greek agriculture cannot, except in purely marginal terms, cause any deterioration or imbalance in our relations with certain countries in the Mediterranean region. The Commission is already making a study to establish what the effects of the enlargement of the Community might be in each sector and in each country.

Another problem which has been referred to concerns the repercussions that Greece's joining the Community may have on our relations with Turkey. Immediately after this item on the agenda there will be a debate on the information furnished by the EEC-Turkey Joint Parliamentary Committee and Vice-President Haferkamp is here to reply for the Commission.

**Natali**

I would merely like to say that I agree with the comments made by several Members to the effect that Greece's entry into the Community will probably create better conditions for following certain policies and achieving certain objectives of stability and peace. This is the context in which the Community is acting and I believe that Vice-Chairman Haferkamp will be outlining the package of proposals presented by the Commission with regard to our future relations with Turkey.

I hope I have replied to the questions put to me. I would like to wind up this address by renewing my thanks to Mr Amadei and to all the speakers in this debate and by stressing the thought written into one part of the motion for a resolution to the effect that we should not forget the bonds of friendship and solidarity that we have always had with the Greek people. We should not forget what Greece has represented for European culture and tradition and above all we should not forget that the first act of the Greek government after the ousting of the military regime was to apply to join the Community.

We cannot fail to have all this in mind and we should do all we can to see that Greece's accession brings benefits to Greece itself and to the Community and respects the principles that are the Community's inspiration.

*(Applause)*

**IN THE CHAIR : MR DESCHAMPS***Vice-President*

**President.** — I call Mr Amadei.

**Mr Amadei, rapporteur.** — *(I)* Mr President, the discussion we have had shows the keen interest there is in this question. My sincere thanks go to all the many Members who have spoken and added depth to this debate. I also thank them sincerely because, although we have not really achieved unanimity, all the groups are not just favourable towards the accession of Greece to the Community but welcome it with enthusiasm. Mr President, I want to stress the involvement of all the groups. There has been the odd exception : our French Communist colleague Mr Eberhard, for instance, who rightly had to say that he was speaking solely on behalf of the French Communists because in the Political Affairs Committee the discussion proceeded with contributions and support from all groups including the Communist Group represented by its chairman. Hence our satisfaction with this motion for a resolution and this debate.

Of course there had to be the odd dissentient voice. It is out of this natural interplay of opposing elements

that democracy is born. And woe betide us if no one disagreed in so serious a discussion. It is easier to speak on one's own behalf than to draft a report on a subject of this kind and I thank everyone but particularly chairman Bertrand and Mr Blumenfeld because they showed — like the others, but more than the others — how well they understood my difficulties. This report is not my own — which would have been very different — but that necessary to have the unanimous support of the committee and if there are any improvements to be made I would certainly be quite ready to agree. When Commissioner Natali asks whether the last part of Article 9, so brilliantly analysed by Mr Broeks, can be removed I agree one hundred per cent. It should not be forgotten, Mr Natali, that on this question of the free movement of manpower there was a very full and very tense argument — and Mr Lipmann will bear me out — in the Political Affairs Committee.

I followed the whole of this discussion both in the EEG-Greece Joint Committee and in the Committee on External Economic Relations. As Mr Natali knows, some were all for asking for a period of 12 years for the free movement of manpower and I am delighted to be able to remove the last section on the same basis as the interpretation given by Vice-President Natali. I had not specified whether the five-year general or seven-year special transition period should apply to manpower. Precisely in order to permit the most optimistic interpretation here I had spoken in general of a transition period and of a gradual process. Welcoming Mr Broeks's comments and interpreting those of Mr Natali I shall be glad to remove this part of the wording if required.

As regards the comments made by various Members on budget difficulties I feel that the various speakers have given the relevant explanation and it would be in bad taste to take a discussion of this type any further. This, ladies and gentlemen, is a report that has met with everyone's agreement and which does not satisfy me in particular but has the unanimous approval of the committee.

The meetings between the Community and Greece have been fruitful and I pay tribute to Mr Natali's ability and enthusiasm in the progress that has been made with Greece's accession. They have not been easy negotiations. The last and decisive meeting, for example, went on until four in the morning of the 21 December last year. The discussion had to go on and was only brought to a close because of the approach of Christmas. I say this in order to acknowledge that there were difficulties and we should pay tribute to the Commission and to its Vice-President Mr Natali for having overcome them.

**Amadei**

Another point that has to be made is that, in recent years, Greece has made substantial economic and social progress, another reason why we should welcome this accession with enthusiasm, hoping that it will keep to the timetable set out once again by Mr Natali. This is why I am convinced that Greece's accession, although — and this needs to be said — it comes at a difficult time not only for Greece but for the economic situation in the Community, will nevertheless overcome the difficulties pointed out in this debate thanks to the enthusiasm shown by all.

As regards the comments made, in particular, by Mr Blumenfeld and Mr Scelba, the representatives of the Greek people have many times declared that Greece intends to develop understanding and good neighbour relations with all countries and particularly with those linked to the Community by special bonds. And it seems right to me that, after the accession of Greece, the Community should repeat its readiness to welcome countries applying for membership. The Political Affairs Committee has never wished to refer specifically to the distinction between Portugal, Spain, Greece and Turkey. It has never wanted to refer to individual cases but this specific obligation is implicit in these paragraphs and Greece has entered into the undertaking not to oppose any of these applications. This is why I feel that we can be sufficiently confident.

I therefore conclude, Mr President — because I do not think I should abuse the patience of the Members — with a tribute to the seriousness with which this subject has been debated. It is clear that Greece's speedy and full accession is wished by the whole of Parliament, particularly for major reasons of a political nature. I am pleased at the reasons that have been given. In fact, this country's accession will not only constitute a decisive factor in strengthening democracy in Greece but it will also highlight the democracy structure of Europe as a whole. This is why, in the history of Europe, the accession of Greece to the Community will mark an important step on the road towards its unification.

*(Applause)*

**President.** — Mr Amadei, I heard you say that to meet the wishes of Mr Broeks and Mr Natali, you were ready, in paragraph 9 of the motion for a resolution, to delete the words 'and without ruling out the eventuality of applying a safeguard clause'.

In this case, and in view of the fact that we shall not be voting until tomorrow, I suggest that in the interests of regularity of procedure, you table a corresponding amendment before the end of today.

Do you, as rapporteur, agree to this?

**Mr Amadei, rapporteur.** — I agree, Mr President.

**President.** — I call Mr Broeks.

**Mr Broeks.** — *(NL)* Mr President, your predecessor reproached me for being a bit on the late side with my remark but I do not understand how I could have made it earlier. The report is dated 9 March and that is only a few days ago. Your predecessor said that the Bureau had decided to consult only one committee. True enough, but how can we know what the Bureau decides? That court of mandarins decides all kinds of things that we know nothing about here. And it is to be hoped that one of the first decisions of the new Parliament — the continuation of this Parliament — will be that it must have minutes of the meetings of the Bureau. The Bureau can decide what goes in the minutes and what, for the time being, can be left out but, minutes of the Bureau's meetings would be extraordinarily important for the work of this Parliament.

Mr President, apart from this I can really be very brief because you have done my job for me. I also wanted to ask Mr Amadei to table an amendment because there is some conflict with what was said by the chairman of the Political Affairs Committee, namely that it was an act of solidarity with the Greek people. What is stated in the last sentence is, after all, precisely the opposite of what an act of solidarity should be. But, Mr President, you have done my job for me and for that I thank you sincerely.

**President.** — Mr Broeks, this is the first time that I have been called a 'mandarin' but please believe that this is not at all the spirit in which the Bureau undertakes the deliberations.

At the same time, you have yourself acknowledged that the members of the Bureau could sometimes be useful to the good working of our proceedings, since I have anticipated you in a suggestion, which, I think, you had the intention of making.

I would point out to you that the decisions to refer the various questions to the different committees are taken at the opening of the part-session, on the Monday, and figure in the Monday minutes. It is thus possible for all Members to know if a given topic is going to be debated or not. This was the case when we received, only on 26 February, the motion relating to this report. I do not think there has been any 'short-circuit.' What you said about the working of Parliament, and about its relations with the Bureau, has certainly been noted, and the forthcoming Parliament will definitely make a decision on this, as indeed on many other matters.

I call Mr Van der Gun.

**Mr Van der Gun**, *chairman of the Committee on Social Affairs, Employment and Education*. — (NL) Mr President, I would not have asked to speak if, in fact, your predecessor had not more or less called on me to do so after the speech by Mr Broeks. I would however like to point out that the Committee on Social Affairs has given its opinion — written by Mr Pistillo — on the treaty of accession and its social aspects. In that opinion the safeguard clause does not appear in any way whatsoever in its present form. I therefore thank you and Mr Broeks for bringing the matter up. Public order and public safety play a part in the safeguard clause but that is a completely different thing from what is referred to here.

Paragraph 9 of the motion for a resolution refers to the manpower market situation and employment problems. For this reason I am most grateful to the rapporteur for his willingness to delete this passage. This will make it possible for a number of Members to vote for this motion for a resolution who would otherwise not have been able to.

**President**. — I note that there are no more requests to speak.

The motion for a resolution, with the amendment which has been announced, will be put to the vote tomorrow at voting time.

The debate is closed.

#### 19. Urgent debate

**President**. — I have received from Mr Berkhouwer, on behalf of the Liberal and Democratic Group, Mr Klepsch, on behalf of the Christian-Democratic Group (EPP), and Mr Rippon, on behalf of the European Conservative Group, a motion for a resolution with request for urgent debate pursuant to Rule 14 of the Rules of Procedure on human rights in Iran (Doc. 5/79).

The reasons supporting the request for urgent debate are annexed to the document which has been distributed to you.

I shall consult Parliament on urgency tomorrow morning.

#### 20. Recommendation adopted on 27 October 1978 by the EEC-Turkey Joint Parliamentary Committee

**President**. — The next item is the report (Doc. 644/78), drawn up by Mr van Aerssen, on behalf of the Committee on External Economic Relations, on

the Recommendation adopted by the EEC-Turkey Joint Parliamentary Committee in London on 27 October 1978.

I call Mr Jahn.

**Mr Jahn**, *deputy rapporteur*. — (D) Mr President, ladies and gentlemen, it falls to me at short notice, as you have said Mr President, to present this report on the latest proceedings of the EEC-Turkey Joint Parliamentary Committee in place of the rapporteur, Mr van Aerssen. It is all the easier for me to give my views on this matter since I was present at the meeting of the Joint Parliamentary Committee in London. The report is very full and also — in view of the situation in relations and the problems of the relations of association between the EEC and Turkey — of very great importance.

For one thing the questions relating to Turkey have acquired a special immediacy since the change in government in Afghanistan and Iran. Efforts with regard to international aid also show that Turkey is at last being accorded the value due to it as an important partner of the Western world and its political significance recognised to which the European Parliament — as you will remember — has constantly drawn attention. Because of the topical importance of these questions, the Committee on External Economic Relations has taken the opportunity of the latest meeting of the EEC-Turkey Joint Parliamentary Committee to inform the European Parliament, in an own-initiative report, about developments in the relationship between the Community and its Association partner Turkey and to propose certain support measures for Turkey in the industrial sector in the framework of this plenary debate.

In this connection I would like to draw your particular attention to Turkey's problems in the economic field and above all to the situation of the Turkish balance of payments which has worsened so dramatically that international bodies are constantly discussing how to maintain this country's ability to meet its commitments. The necessary import restrictions have resulted in many factories in Turkey working now at only 50 % capacity with production running at about 25 % down on the 1977 figure. The layoffs this has caused are aggravating the already critical situation on the labour market with unemployment at about 20 %. On top of this, the inflation rate for 1978 is estimated at about 70 %. The import restrictions and some improvement in exports have admittedly helped towards restoring the trade balance but OECD studies show that the trade balance deficit in 1978 will still total US \$ 2.6 billion compared with 4 billion for 1977.

Allowing for remittances from immigrant workers — about US \$ 900 million in 1978 — and earnings from tourism and services, the balance-of-payments deficit for Turkey will still be about US \$ 2 billion for 1978. This situation is aggravated by the cumulative foreign debt running now at about US \$ 14 billion (including 7 billion short-term). The International Monetary

## Jahn

Fund, the OECD, NATO and international bank consortia are trying to help Turkey. Finally, the USA, UK, France and Germany agreed at the summit conference in Guadaloupe, that the various international measures should be supported and co-ordinated. On the other hand, the IMF is not satisfied with Turkey and its critical attitude and its statement that it will be guided by what Turkey does rather than what it promises is already having a negative effect on the behaviour of the commercial banks concerned.

As for the Committee on External Economic Relations, it welcomes and supports international aid programmes. It is disappointed that the Community has so far done nothing for its Association partner Turkey and nothing to meet the wish expressed by the Joint Parliamentary Committee for an immediate aid programme. At the same time, however, it feels that Turkey must do its part in response to these international measures and meet the necessary basic economic policy requirements so that lasting consolidation may be achieved in the economic and particularly in the credit area.

In the light of Turkey's economic problems to which I have referred the figures in the fourth Five-Year Plan for 1979-1983 that appeared late last year seem very ambitious. An annual economic growth rate of 8% is forecast. To achieve this growth, the investment planned for this period is US \$ 63 — I repeat 63 — billion. Of this the national economy is to provide US \$ 48 billion and the Community and the Member States 15 billion.

The investment code that has been announced should be of the utmost importance for promoting foreign investment. In actual fact there is already a very liberal act — No. 6224 — in this field but this has been blocked again by the obstacles created by many of the Turkish administrative offices that foreign investors are put off, rather than being encouraged to invest in Turkey. My friends and I emphasised this point in a long discussion with the Turkish Prime Minister.

The Committee on External Economic Relations drew attention to this deplorable state of affairs many years ago and we in the Association Committee can only underline it and would therefore be pleased if the intentions of the Turkish government in this area could be implemented as quickly as possible. This applies in particular to the announced streamlining of administrative procedures and the possibility of repatriating capital, etc.

The report goes into considerable detail about progress in the work on reshaping the association relationships between the EEC and Turkey on the basis of the Turkish proposals. The Community's reactions so far to these proposals, and particularly at the last meeting of the Council on 6 March 1979 on these questions, indicate already that the Community will

have considerable difficulty in meeting Turkey's very high expectations since the Member States — and this I must stress — are still not ready as things stand to make even relatively limited economic concessions to counter possible wide-ranging political consequences in Turkey.

On this it must be said that the Committee for External Economic Relations has continually referred to the importance of Turkey and the same applies to the Association Committee. Finally, the European Parliament too unanimously agreed on the importance of the association relationships between the EEC and Turkey in a plenary debate on 4 July 1978. These appeals from the Member States, however, fell on deaf ears because their governments have attributed too little importance to the critical state in which association relationships have been for some years now. When we compare, Mr President and ladies and gentlemen, the relatively small amounts or quantities involved in the Turkish request in the industrial and agricultural areas, for example, with the concessions that the Community generously and regularly makes to other third countries then it is simply incomprehensible how the so-called experts of the Council and the Member governments can cripple the political will and lack the necessary broadness of view. Here, with a relatively small expenditure in the way of concessions, the climate could be defused and something done to counter the increasingly anti-Western tendencies in Turkey.

The same applies to the Community's attitude towards Turkey's economic crisis. Of course it is a good thing for the Commission already to be working on a generous fourth financial protocol but in the face of Turkey's short-term indebtedness running into billions of dollars these resources could come too late and it is simply not good enough, with regard to the financing that is necessary, to refer her to other international bodies. Turkey is associated with nine more or less wealthy industrial countries in Europe and the Turkish government and the Turkish population cannot understand how these countries in the Community are not in a position to set up an immediate aid programme, already agreed by the Joint Parliamentary Committee in London, to save the Turkish economy from collapse.

Allow me in conclusion, Mr President, to add the following in my capacity as deputy chairman of the Association Committee. All that we have so far heard from the Community and the other Western countries is nothing, unfortunately, but fine words. This even applies to the last Council meeting on 6 March 1979 at which Turkey was discussed. The conclusion was reached — now listen carefully, ladies and gentlemen — that there was a big discrepancy between the political will and the practical and economic obstacles for the individual Member States.

**Jahn**

Mr President, ladies and gentlemen, the plain fact is that Turkey is faced with national bankruptcy. For months she has been practically insolvent and deep in debt to other countries. Industry — this is already in the report — is working at half strength and mass layoffs are the order of the day — and that with unemployment already running at 20 %. We members of Parliament know or we should know, with an eye to other developments in the Near East, the kind of socialist gunpowder these figures contain. Our Turkish association and treaty partners expect more from us in this situation than fine words. We need an effective short, medium and long-term aid programme for this country, a kind of Marshall Plan. This was also the focal point of our case in London. Firstly an immediate aid programme by the Community to deal with Turkey's short-term balance-of-payments problems, and secondly a wide-ranging co-operation programme in order to set the Turkish economy going again and make it competitive. So far the Community countries have not been able to agree on an immediate aid programme. The aid action on the part of the Western countries boldly announced in Guadaloupe, at which we all sighed with relief, has still not materialised. The Commission's proposals for a fourth financial protocol, said to amount to something like US \$ 600 million would seem to be far too small compared with the billions that the Turkish economy needs. It is against this background that we shall be meeting our Turkish colleagues next month — only three weeks away — in Ankara. How can we prove our friendship and how can we live up to our obligations under the association and alliance treaties?

On that point I shall conclude but I would like once more to refer to the critical misjudgement of the governments of the Member States, the Council and the other Western countries. We risk driving Turkey into isolation or even into the arms of the East European countries. With our inertia and indifference we are endangering the Turkish democracy and it is perfectly possible for events like those in Iran to repeat themselves. Through the irresponsible behaviour of our governments we not only risk losing Turkey but we are also gambling with the fate of our countries.

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

**Mr Hansen.** Mr President, Mr Van Aerssen's report on the activities on the EEC-Turkey Joint Parliamentary Committee offers the European Parliament a most welcome opportunity to hold another important debate on Turkey today and provides me with the opportunity to speak about the unsatisfactory development of the EEC's Association relations with Turkey and the worrying situation in that country. Indeed Mr President, if we look at the resolution adopted by

the European Parliament after its last major debate on Turkey on 5 July 1978 or consider the recommendation adopted in London in October last year we see to our great regret that the demands made there have been satisfied only in part and that the economic requirements have not yet been satisfied at all. This worries me very much because, as chairman of the European Parliament delegation to the EEC-Turkey Joint Parliamentary Committee, I follow developments in Turkey with special interest as regards regular contacts and visits to that country.

Mr President, as Mr van Aerssen has already noted in his report, Turkey has been virtually unable for some months to pay off its external debt which has now soared to about 14 billion US dollars. As a result of the necessary import restrictions, many factories are now operating at only 50 % capacity and workers are constantly being made redundant, which further dramatically increases the current unemployment rate of 20 %. Meanwhile the rate of inflation has risen to 70 %.

I do not know if you can imagine the difficulties this causes for the inhabitants of Turkey. Last week I was in Istanbul, the most European and richest town in Turkey. Looking at the long queues at the petrol stations and outside some shops, the lack of medical supplies due to the import restrictions and the daily power and water cuts, you can gain some idea of the problems confronting the inhabitants in the poor areas of central and Eastern Anatolia and of the seeds of social conflict being sown there daily. In this situation, when replying to my Turkish friends' questions about aid measures I feel ashamed to have to refer to the sluggish action being taken by the Community and other Western countries. It is simply not enough just to speak of our friendship and solidarity with Turkey. Friends must prove themselves, and especially in a crisis like this one, for only then can one distinguish true friends from so-called friends.

For years Turkey has been associated with nine more or less prosperous, industrialized European countries; for years it has been allied with other equally important countries in the West. These countries are aware of developments in Turkey in recent years, and of their dramatic deterioration over the last months. But not even the shock of events in Iran managed to speed up our adoption of the necessary aid measures for Turkey, our friend, our partner in association and defence. Last October Turkey put forward practical proposals on how we could help it in the framework of our association. I consider it quite inexplicable and irresponsible that the wheels of the European Community should grind so slowly, when a friend is in such a critical situation and in such trouble.

The Commission experts took nearly four months to put forward timid proposals and new compromises to



## Hansen

the Council in response to this situation. This document is now in the hands of the Council experts who once again will reduce its scope rather than improve it, adopting narrowminded, sometimes national, viewpoints. True, finances for a fourth financial protocol are now being discussed, as is a cooperation fund, resources for a social fund and even special financial aid. But so far these are only words — I would say, *parole, parole* — which we have been hearing for over four or five months. No practical proposals have yet been made. The Turkish wishes regarding its workers are falling on deaf ears. The concessions they want in agriculture have been refused by various Member States. Turkish textile exports to the Community are being restricted.

What happened to the great announcements made in Guadeloupe about the programme of *immediate* Western aid? They have also faded away without any visible results. So it is hardly surprising if Turkey has doubts about our friendship towards it, about its association with our Community and its alliance with the Western World. Especially now that Turkey is forced into a daily struggle to find financial resources under the most difficult conditions in order to meet only the most essential daily — and I stress daily — needs of its country. Western experts are once again making life difficult for it. This time, it is mainly the experts of the International Monetary Fund who are laying down conditions for Turkey as though it were not a developing country but a westernized industrialized country. One of the experts' main demands is for further substantial devaluation of the Turkish currency. What is that supposed to achieve? The Turkish warehouses are empty; the means of production scarcely suffice to cover domestic demand. In other words, Turkey cannot export more, and its imports would become even more expensive.

Mr President, why am I giving you these details? Why am I denouncing here the so-called experts? I have nothing against experts in principle. They are necessary to keep the complex machinery that regulates our daily EEC life in motion. Rather, I am saying all this because our relations with Turkey have reached such a critical point that we can no longer allow only the experts to speak and decide. In this situation, the time has in my opinion come where politicians who can take an overall view must exercise their authority. Turkey, one of the few democracies in this sensitive part of the Mediterranean, is in great danger, unless we finally take wide-ranging and generous emergency measures in the days to come, we might not only lose our friend and partner, Turkey, but we will also endanger the future and security of the countries of Europe and the western world.

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

**Mr Johnston.** — Mr President, one of the members of the Liberal and Democratic Group, Mr Paul De Clercq, has done much as the chairman of the EEC-Greece Joint Parliamentary Committee to promote good relations with Greece, which, we all hope, will soon become a member of the Community. The chairman of the EEC-Turkey Joint Parliamentary Committee, whom we have just heard speaking, has had a much harder task. Indeed, as he himself made clear in his contribution just now, and as Mr van Aerssen's report makes all too clear, Member States of the Community have adopted a negative and extremely short-sighted attitude with regard to Turkey. Some Member States have shown a quite remarkable insensitivity to Turkish fears of the political consequences of Greek entry into the Community; others — and it is with regret that I must say that my own government is perhaps the worst offender — have been remarkably obtuse in their attitude to Turkey's terrible economic problems. I would, if I may, quote briefly from Mr van Aerssen's report, because I think he brings the problem out most clearly and most succinctly. In paragraph 16, he says:

The Community is having great difficulty in satisfying Turkey's high hopes, because the Member States are still not prepared to make even fairly limited economic concessions in order to counteract possible far-reaching political consequences in Turkey. This is particularly apparent in respect of imports of Turkish textiles into the Community.

He then refers to the attitude of Britain, which is not prepared to accept the relatively flexible attitude which the Commission has promoted.

In paragraph 17, he goes on to say:

If we bear in mind the relatively small amounts involved in Turkey's requests in the industrial and agricultural sectors and the generous concessions which the Community is continually making to other third countries, it is impossible to understand how the so-called experts in the Council and the Governments of the Member States can undermine the political will that exists and how they can be so shortsighted. In this instance, a few relatively insignificant concessions could relieve tension and counteract the increasingly anti-Western tendencies in Turkey.

I think that puts the matter very clearly and sums it up very well. It is indeed a sad comment on the level of political wisdom in our Community that there is so little enlightenment in the pursuit of self-interest which marks the attitude of the Nine in their relations with Turkey.

The fact is that we shall all suffer if the present Government in Turkey is replaced by another. Mr Ecevit is making most courageous efforts to maintain Turkish democracy, to keep her in her alliances and to develop her trading relations with the West. If he fails, it will in large part be our fault, because we have not brought sufficient pressure to bear on our governments to make a greater effort to help Turkey.

### Johnston

I think, Mr President, it is so much humbug, when you think about it, that the same people, the same governments, who talk endlessly about aid to underdeveloped countries and how important this is, take steps against Turkey when in any respect at all the trade which Turkey provides some risk to our own developed economies. Therefore, the Liberal and Democratic Group strongly welcomes the report tabled by Mr van Aerssen and fully supports the demands which are contained in the motion for a resolution.

As I understand, the most recent proposal from the Commission, which I expect Mr Haferkamp will be speaking about in a moment, is to freeze the association relationship in the field of customs duties so that for a period of some five years Turkey will not be required to phase out customs duties. However, I understand — and I also gather that this was the case from Mr Hansen's remarks — that linked with that is a lack of any proposals in the agricultural field. In fact, the Commission has tied together additional agricultural concessions and indicated that they will not be given until Turkey is able to resume the dismantling of customs duties for Community products. In our view, this is not good enough in the present circumstances. The Commission must be aware that these measures will not make an adequate contribution or even any appreciable contribution at all, to overcoming the enormously grave economic difficulties which Turkey faces and which have been already spoken about by Mr Jahn and by Mr Hansen. I understand, for example, that at the moment there is an unemployment rate of three million out of a working population of 16 million. That is really an appalling circumstance.

These developments and the unfavourable repercussions of the upheaval in the neighbouring country of Iran obviously lend substance to the fear that Turkey might succumb to economic and political chaos. As I said at the beginning, Mr President, if this happens the Community will bear a heavy responsibility. The Liberal and Democratic Group certainly will support all the appropriate measures aimed at providing Turkey with swift, substantial, adequate and effective help, for this she most certainly needs.

*(Applause)*

**President.** — I call Mr Spicer to speak on behalf of the European Conservative Group.

**Mr Spicer.** — Mr President, may I at the outset say how very much I, all members of my group, and, indeed, all Members of the Parliament regret the fact that Mr van Aerssen is not here today to present his report. There is a very tragic background to that, and we would wish, I am certain, to extend our deepest sympathy to him in the loss which he has just sustained.

Mr van Aerssen's report says what has to be said; Mr Jahn has emphasized it; Mr Hansen, as chairman of our Joint Parliamentary Committee, has added his weight to it; Mr Johnston has said it.

I, as the rapporteur for the committee, can only say how much I agree with all that has been said. If only we could take this debate in isolation and say: now, there is the will — and our Turkish friends in the gallery are listening to this — and if people in Turkey could read the report of this debate, they would say: there is a clear understanding of our position, there is recognition of the danger that faces not only Turkey, but also the Western world, if no action is taken. How can it be possible for people not to take action; yet my betting would be that in six months' time we will be looking at another report — prepared not on the basis of the meeting of the committee in London, but on that of its meeting in Ankara on 7 and 8 April 1979, and we will be saying exactly the same things again. There comes a time when words must be replaced by deeds.

That time is running out. I am sick and tired of summit meetings. I believe that this is a place where words are substituted for deeds. It has been said that the Commission has perhaps not done as much as it might do. That may be so; but within the general guidelines within which the Commission can operate — as the Commissioner himself understands — there is only so much that can be done. All we can do is to implore him to expand his area of authority to the limit, and do the utmost for Turkey on that basis. But we know that the needs are much greater than that. We are only tinkering with an engine that is slowly seizing up, if we believe that we can deal with it through action by the Community alone. It has got to be on a much more massive scale.

It has been said time and time again by responsible statesmen — Geoffrey Ripon, the leader of my group, has said this — that we need now a new Marshall Plan for Southern Europe, and the main recipient of aid under that Marshall plan must be Turkey.

There is an unhappy combination. Mr Hansen talked about the queues, the shortages and so on. The economic situation in Turkey even in the last three of four months has deteriorated very rapidly in deed. Mr Jahn talked about the deficit of \$ 2 000 000 000. What about an inflation rate in excess of 60 %? And the unemployment figures that have been quoted as well? All these come together to create an economic climate that adds to the political instability that exists in Turkey and makes it almost impossible for any government in Turkey, however much goodwill exists within that government to do the right thing, to take the necessary action without the massive support that is required from outside. And so we have political unrest in Turkey. It is not for us to point to the need for martial law in certain areas or the political killings

## Spicer

that continue still day by day, even under martial law. The situation is getting very, very much worse every day.

And then if you add to that the uneasiness in Turkey — rightly or wrongly it is there — over the enlargement of the Community and the feeling that as a result of that enlargement Turkey is going to be pushed away and kept at arm's length and that we may at some future point go back on our established and restated promises that Turkey ultimately should become a member of the Community. In view of his remarks about Greece's accession to the Community and the fears on the economic side, I wonder what Mr Dalyell, who, I see, has rejoined us, would be saying here in ten years' time, from the point of view of the Committee on Budgets when we start perhaps talking about the possibility of Turkey entering the Community. I am sure he would be a prophet of gloom and doom. So we have got to help Turkey get herself into a position where she can make sense of ultimately becoming a member of the Community.

There is disillusionment with the Community in Turkey; that is understandable. It is only a few weeks ago that I said in this House that it seemed to me that probably whereas two or three years ago 80 % of the people of Turkey had expressed their will to stay with the Community and be part of the Community, I think that figure drops week by week and month by month. Do we still have the political will to do what is necessary, because this is what is required? It is no use saying we will do this, we will engineer a Fourth Financial Protocol. Absolutely splendid! That will have to be done, but much more needs to be done than that. We need, as I said already, deeds not words. We are not talking about Turkey alone. We are talking about self-preservation for our way of life and for the democratic institutions of Europe. Because if Turkey — and it could easily happen — people mention the problems of Iran — if Turkey should desert the European Community, turn her back upon our way of life, then we would all suffer, and whatever investment is required to prevent that happening is money well spent and we should not begrudge it.

*(Applause)*

**President.** — All the speakers who have spoken on behalf of the various groups of Parliament have stressed the concern with which we are now examining this problem of Turkey — in other words, Mr Haferkamp, the importance which they attach to the statement which you are now called on to make.

I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** — *(D)* Mr President, I would be delighted if I could offer a solution for these difficulties but I cannot and I can only describe what the Commission believes it

can and must do within the limits of its possibilities. The difficulties in Turkey have been very fully described but — and this I would like to stress quite emphatically — reference has also been made to the extent of the efforts which the Turkish government itself has made. In this connection I would like to refer particularly to the many initiatives of Prime Minister Ecevit since he had his first talks in May 1978 with the Commission in Brussels with the object of putting the association relationship between Turkey and the Community on a new basis and to develop and strengthen it. These efforts of Turkey itself, however, will only be successful — and that has also become clear — if the country is supported by its friends. The European Community counts among those friends. This puts us under a special obligation in view of the fact that Turkey is a long-standing associate member of this Community. In this connection I would like to say that I share the view expressed in section 17, paragraph 2, of the report regarding what is asked of us and what, with relatively minor resources, can be achieved at the political and psychological level.

The Commission has worked out proposals designed to help ease the difficulties. It needs to be clearly understood that we saw no possibility of meeting the Turkish wishes and requests, put to us in detail last autumn, in full or even to any large extent. On the other hand we have proposed something which I would like to describe as realistic in the light of Community's possibilities and which, if intelligently applied, could have a satisfactory and positive effect. I would also make the point that these efforts should and must not be seen in isolation but that they should be dovetailed into other international actions and I underline the word actions. There has been far too much talking — something needs to be done.

In this connection I would like to say that paragraph 7 of the motion for a resolution does not, for my part, describe the situation quite rightly when it says that Parliament is opposed to the attitude of the Commission and the Council which — as far as the necessary aid measures are concerned — refer the problem to other international institutions instead of taking direct action themselves.

We are prepared for an action for which the Community has the necessary resources and capability. We are prepared to see this action fitted in with other international efforts. We do not have the resources or the possibilities, as a Community, to do anything about the balance-of-payments situation. That is something which, as you know, is dealt with in the sphere of the International Monetary Fund and via the individual Member States. The Community as such does not have the legal, technical, financial or monetary resources to intervene in this balance-of-payments problem.

## Haferkamp

I therefore repeat that we have tried to use our possibilities realistically and are ready to co-ordinate that with international efforts or organizations which — or so I hope — will soon be moving into action. We also anticipate that this will produce a cumulative effect. Such a merging and co-ordination of several actions is not just the same as adding them together. But we also hope — and I say this particularly because I am grateful for what has been said in the discussion in this connection — that the Council of Ministers will not fall short of what we have proposed when it decides on the Commission's proposals. What are our proposals?

Firstly that we should discuss and agree with our Turkish friends that the implementation of certain articles in the supplementary protocol should be suspended for a period of five years. This relates mainly to industrial duties and related matters and could — or so we hope — be a help to Turkey to overcome certain difficulties in the economic sector. It is therefore a practical proposal meeting the wishes of the Turkish side and would suspend certain articles of the supplementary protocol for a period five years.

In addition we have made proposals in the agricultural sector, the social sector and with regard to economic co-operation. With regard to the agricultural sector, the Commission has proposed that, for agricultural products originating in Turkey, the Community should already enter into the undertaking and should be ready, at the end of the period of suspension referred to for certain customs duty measures, to remove the duties on agricultural products altogether by stages. These stages and the detailed conditions would be negotiated at the expiry of this five-year period. In other words we want to give a firm promise to introduce a step-by-step removal of agricultural duties after that period. I believe that this prospect would be important to our Turkish friends in making their plans. I readily admit that a discussion on these questions with those concerned with agricultural policy at both the political and expert level will not be easy and I must say it was not easy to reach that point.

As regards social matters, we have first and foremost proposed measures to benefit Turkish workers doing jobs in the Community with particular reference to vocational training, language teaching and the like mainly with the object of tailoring their abilities for subsequent re-integration in the Turkish economy and to suit its requirements and also to be of benefit to the workers themselves. These measures would be financed by the Community.

Finally, we have proposed a set of measures lying primarily in the financial sector. Firstly let me confirm some news you already know about: the third financial protocol has now been ratified. It is, to my mind, a good thing for both us and Turkey that we

pointed out in the talks we had last year that rapid ratification would mean rapid availability of the 310 million u.a., and that this could, in practice, be speeded up if we received Turkish projects during the last few months — before ratification — which could be checked and scrutinised so that the payments could be made directly the moment the protocol was ratified and immediately came into force. We are very grateful for the fact that our Turkish friends gave us the opportunity to do this preliminary work a few months ago so that the funds, now that the protocol has been ratified, can be allocated very quickly to their purpose. In its proposal to the Council, the Commission announced that it would very soon be making a proposal for a fourth financial protocol which would come into force immediately after the third expired. We all know how long procedures take in the Community and that is why we intend to propose a fourth protocol now, two years before the expiry of the third, so that a smooth transition can be ensured. A figure has even been mentioned that I shall not repeat. It largely tallies with the ideas of the Commission but it has not yet been included officially in our proposal.

In addition we propose to set up a special co-operation fund whose purpose would be to provide Turkey with non-repayable funds from the Community budget within five years to finance economic operations in co-operation of the most varied kind, perhaps in the field of the development of technology or trade or perhaps in support of investment — the details still have to be defined — that might be interesting in the medium term for the Turkish economy. Here, too, we have not suggested any order of magnitude. In addition, this fund could be drawn upon for such projects that would have difficulty in meeting the criteria of the European Investment Bank. If the Council approves this proposal this will be the first time that such a special fund will have been set up for such a purpose. The Commission is waiting for the basic decision as to whether the Council is ready to tread this additional new road. If so we shall then table detailed proposals for the creation of this fund, its order of magnitude and its use. We believe that this could be of considerable assistance. These measures — I would stress once again — are not of such a kind as to provide direct help with the present balance-of-payments difficulties but they do offer a positive medium-term prospect for the Turkish economy and I believe that, in our discussions, we should attach considerable importance to doing something which will show our faith in the future development of the Turkish economy. I do not think it is sufficient just to put a certain sum of money on the table; I feel that we must show, through the way in which we use the money and through our co-operation with our partner, that we have faith in that co-operation. This is what I feel the idea of this fund will make clear. We

**Haferkamp**

do not imagine that these proposals are a patent cure but we do hope that they will help soon to elicit a positive and speedy decision on the part of the Council.

Ladies and gentlemen, you have clearly voiced your commitment to this important action. I feel that you could help us all and the proposals themselves if, in your own Parliaments, you would speak for this operation as quickly and as emphatically as you can so that this will have repercussions on the next meeting of the Council in Brussels.

One last comment — there have been many references to experts. Ladies and gentlemen, these experts come from your capitals.

*(Applause)*

**President.** — I note that there are no more requests to speak.

The motion for a resolution will be put to the vote as it stands tomorrow at voting time.

The debate is closed.

21. *Agenda for next sitting*

**President.** — The next sitting will take place tomorrow, Wednesday 14 March 1979, at 10.00 a.m. and at 3.00 p.m. with the following agenda :

*10.00 a.m., and afternoon until 8.00 p.m. (possibly from 9.00 p.m. onwards)*

— Decision on urgency of 8 Council regulations and 2 motions for a resolution.

— report on agricultural prices.

— Oral question with debate to the Commission

— Oral questions between China and the European Community

— Oral question without debate to the Commission on agricultural production costs

— Oral question without debate to the Commission on tomatoes

— Oral question without debate to the Commission on the workings of the Commission

*3.00 p.m. :*

— Question Time (by way of exception, questions to the Commission)

*3.45 p.m. :*

— Voting time

The sitting is closed.

## ANNEX

*Questions which could not be answered during Question Time, with written answers*

### *Question No 2 by Mr Nolan*

Subject: Exchange programme for young workers

Will the Commission explain why, for 1979, it has decided to drop the exchange programmes for young workers, in particular young farmers, which have been operating successfully for many years?

### *Answer*

The honourable Member's question rests on a misunderstanding. Only last week the Commission forwarded to the Council, Parliament and the Economic and Social Committee a proposal for a second programme for exchanges of young workers.

One of the new aspects of the second programme is a provision for short training schemes. This will enable the numbers of those participating in the programme to be increased considerably.

We expect the second programme to come into operation on 1 June 1979, and young workers will of course be able to participate in it.

### *Question No 5 by Mr van Aerssen*

Subject: EC — Albania dialogue

Late in 1978 the Albanian party leader, Mr Enver Hoxha, and the Prime Minister, Mr Mehmet Shehu, stated in public that their country was interested in extending trade and cultural relations with the countries of western Europe. Can the Commission say whether the European Community has now established initial contacts with Albania, and if not, whether we may expect such contacts to be made at an early date?

### *Answer*

The Commission has not yet had any contact with the Albanian authorities.

The Community offered in 1974 to conclude trade agreements with State trading countries. This included Albania.

## ANNEX II

### *Membership of Committees*

#### *1. Political Affairs Committee*

Mr Bertrand, chairman; Mr Radoux, vice-chairman; Mr Johnston, vice-chairman; Mr Brugha, vice-chairman;

Mr Amadei, Mr Amendola, Mr Ansart, Mr Bangemann, Mr Berkhouwer, Mr Bettiza, Mr Blumenfeld, Mr Cot, Mr Covelli, Mr Faure, Mr Fletcher-Cooke, Mr Granelli, Mr Hamilton, Mr Holst, Mr Jahn, Mr Klepsch, Mr de la Malène, Mr Mitchell, Mr Patijn, Mr Pintat, Mr Prescott, Lord Reay, Mr Rippon, Mr Ryan, Mr Scelba, Mr Seefeld, Mr Steglerschmidt, Mr Spinelli, Mr Vergeer, Mr Zagari.

#### *2. Legal affairs committee*

Sir Derek Walker-Smith, Chairman; Mr Riz, Vice-Chairman; Mr Calewaert, Vice-Chairman; Mr Geurtsen, Vice-Chairman;

Mr Alber, Lord Ardwick, Mr Bangemann, Mr Bayerl, Mr Broeks, Mr Brosnan, Mr de Keersmaecker, Mrs Ewing, Mr Fletcher-Cooke, Mr Forni, Sir Geoffrey de Freitas, Mr de Gaay Fortman, Mr Iotti, Mr Krieg, Mr Lagorce, Mr Luster, Mr Masullo, Lord Murray of Gravesend, Mr Pianta, Mr Plebe, Mr Pucci,

Mr Radoux, Mr Rivierez, Mr Santer, Mr Scelba, Mr Schmidt, Mr Schwörer, Mr Shaw, Mr Sieglerschmidt, Mrs Squarcialupi, Mr Zagari,

### 3. *Committee on economic and monetary affairs*

Mr Pisani, Chairman ; Mr Notenboom, vice-chairman ; Sir Brandon Rhys Williams, vice-chairman ; Mr Leonardi, vice-chairman ;

Mr Ansquer, Lord Ardwick, Mr Cifarelli, Mr Christensen, Mr Cointat, Mrs Dahlerup, Mr Damseaux, Mr Dankert, Mr de Keersmaeker, Mr Deschamps, Mr Ellis, Mr Glinne, Mr Van der Gun, Mr Haase, Mr Jakobsen, Mr Lange, Mr Müller Hans-Werner, Mr Müller-Hermann, Mr Normanton, Mr Nyborg, Mr Porcu, Mr Prescott, Mr Ripamonti, Mr Schwörer, Mr Spénale, Mr Spinelli, Mr Starke, Mr Stetter, Mr Vernaschi, Mr Zagari, Mr Zywiets.

### 4. *Committee on budgets*

Mr Lange, Chairman ; Mr Aigner, vice-chairman ; Mr Bangemann, vice-chairman ; Mr Cointat, Vice-chairman ;

Mr van Aerssen, Mr Alber, Mr Amadei, Lord Bessborough, Mr von Bismarck, Lord Bruce of Donington, Mr Caro, Mr Crozé, Mrs Dahlerup, Mr Dalyell, Mr Dankert, Mr Früh, Mr Hamilton, Mr Hansen, Mr Krieg, Mr Joxe, Mr Meintz, Mr Nielsen Brøndlund, Mr Notenboom, Mr Petersen, Mr Radoux, Mr Ripamonti, Mr Rossi, Mr Ryan, Mr Schreiber, Mr Scott-Hopkins, Mr Shaw, Mr Spinelli, Mr Vitale, Mr Würtz, Mr Yeats.

### 5. *Committee on social affairs, employment and education*

Mr Van der Gun, Chairman ; Mr Nolan, vice-chairman ; Mrs Dunwoody, vice-chairman ; Mr Pistillo, vice-chairman ;

Mr Adams, Mr Albers, Mr Bertrand, Mr Bouquerel, Mr Caro, Mr Cassanmagnago Cerretti, Mr Cot, Mr Dinesen, Mr Dondelinger, Mr Eberhard, Mr Feit, Lady Fisher of rednal, Mr Geurtsen, Mr Granelli, Mr Howell, Mr Kavanagh, Mrs Kellett-Bowman, Mr Laurain, Mr Lezzi, Mr Meintz, Lord Murray of Gravesend, Mr Pianta, Mr Pisoni, Mr Power, Sir Brandon Rhys Williams, Mr Santer, Mr Schreiber, Mrs Squarcialupi, Mr Vandewiele, Mr Vanvelthoven, Mr Wawrzik.

## COMMITTEE ON AGRICULTURE

Mr Caillavet, chairman ; Mr Liogier, vice-chairman ; Mr Ligios, vice-chairman ; Mr Hughes, vice-chairman ;

Mr Albertini, Mr Andersen, Mr Brégégère, Mr Brugger, Mr Cifarelli, Mr Corrie, Mr Cunningham, Mr Dewulf, Mrs Dunwoody, Mr Durand, Mr Früh, Mr Hansen, Mr Herbert, Mr Hoffmann, Mr Howell, Mr Inchauspé, Mr Joxe, Mr Klinker, Mrs Krouwel-Vlam, Mr Lemp, Mr L'Estrange, Mr Müller Willi, Mr Ney, Mr Nielsen Brøndlund, Mr Pisoni, Mr Pistillo, Mr Pucci, Mr Scott-Hopkins, Mr Soury, Mr Tolman, Mr Vitale

## COMMITTEE ON REGIONAL POLICY, REGIONAL PLANNING AND TRANSPORT

Lord Bruce of Donington, chairman ; Mr Nyborg, vice-chairman ; Mr McDonald, vice-chairman ; Mr Durand, vice-chairman ;

Mr Albers, Mr Brosnan, Mr Brugger, Mr Cifarelli, Mr Corrie, Mr Damseaux, Mr Delmotte, Mrs Ewing, Mr Fitch, Mr Forni, Mr Fuchs, Mr Haase, Mr Hoffmann, Mr Hughes, Mr Ibrugger, Mr Johnston, Mr Jung, Mr Kavanagh, Mrs Kellett-Bowman, Mr Ligios, Mr Liogier, Mr Mascagni, Mr Noè, Mr Osborn, Mr Pistillo, Mr Schyns, Mr Seefeld, Mr Starke, Mr Tolman, Mr Zagari

## COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND CONSUMER PROTECTION

Mrs Krouwel-Vlam, chairman ; Mr Jahn, vice-chairman ; Lord Bethell, vice-chairman ; Mr Baas, vice-chairman ;

Mr Adams, Mr van Aerssen, Mr Ajello, Mr Alber, Mr Andersen, Mr Bouquerel, Mr Brégégère, Mr Brown, Mr Cassanmagnago Cerretti, Mr Didier, Mr Eberhard, Mr Edwards, Mr Ellis, Mr Granet, Mr Herbert, Lord Kennet, Mr Lamberts, Mr McDonald, Mr Muller Willi, Mr Muller Emile, Mr Ney, Mr Noè, Mr Plebe, Lord St. Oswald, Mr Schyns, Mr Spicer, Mrs Squarcialupi, Mr Verhægen, Mr Veronesi, Mr Wawrzik

## COMMITTEE ON ENERGY AND RESEARCH

Mrs. Walz ; chairman ; Mr Flamig, vice-chairman ; Mr Normanton, vice-chairman ; Mr Veronesi, vice-chairman ;

Mr Ansquer, Lord Bessborough, Mr Blumenfeld, Mr Brown, Mr Christensen, Mr Covelli, Mr Dalyell, Mr De Clercq, Mr Edwards, Mr Fioret, Mr Fitch, Mr Fuchs, Mr Granet, Mr Holst, Mr Ibrugger, Mr Lamberts, Mr Laurain, Mr Leonardi, Mr Lezzi, Mr Liogier, Mr Mitchell, Mr Muller H.-W., Mr Noe, Mr Osborn, Mr Pintat, Mr Power, Mr Ripamonti, Mr Vanvelthoven, Mr Vergeer, Mr Verhaegen, Mr Zywietz

*COMMITTEE ON EXTERNAL ECONOMIC RELATIONS*

Mr Kaspereit, chairman ; Mr Scott-Hopkins, vice-chairman ; Mr Schmidt, vice-chairman ; Mr Martinnelli, vice-chairman ;

Mr van Aerssen, Mr Amadei, Mr Baas, Mr Bayerl, Mr Bersani, Mr Brugha, Lord Castle, Mr De Clercq, Mr Didier, Mr Fitch, Sir Geoffrey de Freitas, Mr Galluzzi, Mr Inchauspé, Lord Kennet, Mr L'Estrange, Mr Luster, Mr Mont, Mr Müller-Hermann, Mr Muller Emile, Mr Patijn, Mr Petersen, Mr Pisani, Mr Radoux, Lord Rossi, Lord St. Oswald, Mr Sandri, Mr Schwörer, Mr Soury, Mr Spicer, Mr Tolman, Mr Vandewiele.

*COMMITTEE ON DEVELOPMENT AND COOPERATION*

Mrs Flesch, chairman ; Mr Bersani, vice-chairman ; Mr Lagorce, vice-chairman ; Mr Sandri, vice-chairman ;

Mr Bordu, Mr Broeksz, Lord Castle, Mr Croze, Mr Cunningham, Mr Delmotte, Mr Deschamps, Mr Dewulf, Mr Dondelinger, Mr Feit, Mr Fioret, Lady Fisher of Rednal, Mr Flämig, Mr Glinne, Mr Iotti, Mr Jakobsen, Mr Jung, Mr Kaspereit, Mr Lezzi, Mr Lücker, Mr Martinelli, Mr Nolan, Lord Nyborg, Mr Reay, Lord St. Oswald, Mr Spénale, Mr Vergeer, Mr Vernaschi, Mrs Walz, Mr Wawrzik, Mr Würtz.

*COMMITTEE ON THE RULES OF PROCEDURE AND PETITIONS*

Mr Leonardi, chairman ; Mr Halmilton, vice-chairman ;

Mr Santer, Mr Berkhouwer, Mr Calewaert, Mr Dewulf, Mr de Gaay Fortmann, Mr Lagorce, Mr Lemp, Mr Luster, Mr Masullo, Mr Müller Willi, Mr Lord Murray of Gravesend, Lord Reay, Mr Riverez, Mr Riz, Sir Derek Walker-Smith, Mr Yeats

*DELEGATION TO THE JOINT PARLIAMENTARY COMMITTEE OF THE EEC-GREECE ASSOCIATION*

Mr De Clercq, chairman ; Mr Spénale, vice-chairman ;

Mr Pisoni, Mr Aigner, Mr Amadei, Lord Bethell, Mr Brugha, Mr Caillavet, Mr Cunningham, Mr Galuzzi, Mr Glinne, Mr Jakobsen, Mr L'Estrange, Mr Lücker, Mr Patijn, Mr Rivierez, Mr Schmidt, Mr Vandewiele

*DELEGATION TO THE JOINT PARLIAMENTARY COMMITTEE OF THE EEC-TURKEY ASSOCIATION*

Mr Hansen, chairman ; Mr Spicer, vice-chairman ;

Mr Jahn, Mr Adams, Mr van Aerssen, Mr Baas, Mr Bertrand, Mr Bouquerel, Mr Dankert, Mr Edwards, Mr Fellermaier, Mr van der Gun, Mr Joxe, Mr Lezzi, Mr Ligios, Mr Müller Emile, Mr Pintat, Mr Porcu



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## IN THE CHAIR: MR BERKHOUWER

*Vice-President*

*(The sitting was opened at 10 a.m.)*

**President.** — The sitting is open.

### 1. *Approval of minutes*

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

Since there are no comments, the minutes of proceedings are approved.

### 2. *Documents received*

**President.** — I have received the following reports from the committees:

— report (Doc. 7/79) by Mr Corrie, on behalf of the Committee on Agriculture, on the proposals from the Commission to the Council (Docs. 634/78 and 643/78) for:

- I. a regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway;
- II. a regulation establishing catch quotas for 1979 for fishing by vessels flying the flag of Member States of the Community for certain stocks occurring both in the maritime waters under the sovereignty or jurisdiction of Member States of the Community and in those under the sovereignty or jurisdiction of Canada;
- III. a regulation establishing catch quotas for 1979 for fishing by vessels flying the flag of Member States of the Community for certain stocks occurring both in the maritime waters under the sovereignty or jurisdiction of the Member States of the Community and in those under the sovereignty or jurisdiction of Norway;
- IV. a regulation establishing catch quotas for 1979 for fishing by vessels flying the flag of Member States of the Community in Kattegat for certain stocks occurring both in the maritime waters under the

**President**

sovereignty or jurisdiction of the Member States of the Community and in those under the sovereignty or jurisdiction of Sweden ;

V. a regulation laying down certain measures for 1979 for the conservation of fishery resources applicable to vessels flying the flag of Member States of the Community in Skagerrak and Kattegat for certain stocks occurring both in the maritime waters under the sovereignty or jurisdiction of the Member States of the Community and in those under the sovereignty of Norway and Sweden ;

VI. a regulation laying down for 1979 certain measures for conservation and management of fishery resources applicable to vessels flying the flag of Sweden :

— a report (Doc. 8/79) by Mr Corrie, on behalf of the Committee on Agriculture, on the proposal from the Commission (Doc. 665/78) for a regulation amending Regulation (EEC) No 1852/78 on an interim measure for restructuring the inshore fishing industry.

### 3. *Decision on urgency*

**President.** — The next item is the request by the Council for urgent procedure on the proposal from the Commission to the Council for a regulation concerning interest rebates for certain loans with a structural objective (Doc. 633/78).

The reasons supporting this request for urgent debate are annexed to the minutes of proceedings of yesterday's sitting.

I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.** — (D) Mr President, it is understandable why the Council should want an urgent debate. However, Parliament must be given the opportunity to have a careful look at this extremely important matter from the point of view of the effectiveness of the European Monetary System and the resources that will have to be allocated in connection with it. We cannot rush through this hell-for-leather — I hope you will excuse the unparliamentary language. We are supposed to take a very careful look at it, together with the supplementary budget containing the interest subsidies. As a result, I feel I have to state my position and come out against urgent procedure. I do not think Parliament should deal with the matter this week, because the regulation contains one or two crucial points which Parliament will have to consider and decide on with great care. The matter can then be put on the agenda for April and dealt with in a proper manner. That is how I feel about this request by the Council for urgent procedure, Mr President. For the rest, I feel that Parliament ought to declare its position on this.

**President.** — I call Mr Yeats.

**Mr Yeats.** — Mr President, I would strongly urge that we should comply with the Council's request. We are

in the position that the European Monetary System has now just been agreed to. A considerable sense of expectation has been aroused throughout the Community, and I think that if there is now to be this kind of delay due to parliamentary procedure the people of the Community will not understand. There is ample time for the Committee on Budgets to meet today if necessary to consider this matter in as much detail as required. I would strongly urge that, in order to satisfy the expectations of the peoples of our Community, we should deal with this rapidly.

**President.** — I put to the vote the request for urgent debate.

The request for urgent debate is rejected.

The next item is the decision on the urgency of seven proposals for regulations on the fishing sector (Docs 634/78, 643/78 and 665/78).

The reasons supporting this request for urgent debate are annexed to the minutes of proceedings of yesterday's sitting.

I call Mr Corrie.

**Mr Corrie, rapporteur.** — Mr President, as rapporteur might I ask for urgent debate on these matters? As you know, the fishing industry is in a very fluid situation, and many interim measures are coming through. These measures are being looked at at this very moment by the Council. We had a special meeting last night of the Committee on Agriculture, and they went through with one abstention and no objections. I would therefore call for urgent debate. I do not know how the Commission is fixed, but it would not take long to do this, when we have got the Commissioner here today. I can assure you it would take ten minutes maximum, and we could put this through last thing tonight.

**President.** — I put the request for urgent procedure to the vote.

The adoption of urgent procedure is agreed.

I propose that the debate be held during today's sitting immediately following the debate on the Liogier report.

Are there any objections?

That is agreed.

The next item is the decision on the urgency of the motion for a resolution on Article 203 of the EEC Treaty (Doc. 682/78).

The reasons supporting this request for urgent debate are annexed to this document.

I call Lord Bruce.

**Lord Bruce of Donington.** — Mr President, may I urge upon the House the necessity for considering this motion for a resolution as a matter of urgency. It seeks to protect the rights of this Parliament, and I

### Lord Bruce

sincerely hope that all colleagues will agree that it should be debated.

**President.** — I put the request for urgent procedure to the vote.

The adoption of urgent procedure is agreed.

I propose that this item be placed on the agenda of Friday 16 March, immediately following the Bange-mann report.

Are there any objections?

That is agreed.

The next item is the decision on the urgency of the motion for a resolution on human rights in Iran (Doc. 5/79)

I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — (D) Mr President, my group is, to put it diplomatically, somewhat taken aback at the procedure which has been adopted, namely that in a matter involving the protection of human rights and which is constantly referred to by all sides of the House as the joint concern of the Parliament as a whole, three groups have tabled a request for urgent procedure without attempting to include others, e.g. my own Socialist Group, in this request. We regret this very much, but owing to the importance of the subject we feel that urgent procedure should be adopted and thus ask the House to give its approval.

**President.** I note your remarks, Mr Sieglerschmidt, but I also take them to heart.

I put the request for urgent procedure to the vote. The adoption of urgent procedure is agreed.

I propose that this item be placed on Friday's agenda after the Fletcher-Cooke report.

Are there any objections?

That is agreed.

#### 4. Fixing of prices for certain agricultural products

**President.** — The next item is the report (Doc. 675/78) drawn up by Mr Liogier on behalf of the Committee on Agriculture on the

proposals from the Commission to the Council on the fixing of prices for certain agricultural products and on certain related measures for the 1979/1980 marketing year.

I call Mr Liogier.

**Mr Liogier, rapporteur.** — (F) Mr President, ladies and gentlemen, as in previous years, this House has been asked to express an opinion on the Commission's proposals to the Council on the fixing of agricultural prices for the 1979/80 year, just a few months before giving way to the new directly-elected European Parliament. The fact that the agricultural sector in the Community is going through a difficult period makes the responsibility resting upon our shoulders

all the more onerous. While we here are debating the future of agriculture in the Community, those farmers worst affected by the present crisis — first and foremost the producers of pigmeat — have turned to violence as a means of expressing their desperation. These reactions on the part of the farmers — whether we approve of them or not — should make us sit up and take notice, especially as this kind of thing has happened before. We must realize that the current disarray in the farming world is the result of the many body-blows which have been dealt to the three basic principles of the Common Agricultural Policy, namely common prices, financial solidarity among the Member States and, finally, Community preference.

As a result of the fluctuations in exchange rates, common prices for agricultural products have become a mere fiction. The Community has been divided into as many monetary zones as there are different currencies, and the distortions of competition created by monetary compensatory amounts have set up new obstacles to intra-Community trade.

The principle of Community preference, which was supposed to guarantee secure supplies of agricultural products within the Community, is day after day subjected to an increasingly heavy attack. The Community is now importing 14 million tonnes of soya beans and 6 million tonnes of manioc, which means that it is dependent on third countries for its supplies of these products, with all the attendant potentially disastrous consequences.

Even the principle of financial solidarity is under attack. A proportion of EAGGF funds — which are supposed to come from the Member States as an expression of their solidarity — now comes from the levies received from producers; in other words, solidarity among the Member States has been replaced by the financial responsibility of producers.

Even agricultural incomes themselves are in jeopardy. Based on the gross value added principle, the Commission has worked out that farmers' incomes rose by an average of 3.5 % per annum — compared with 3 % for the rest of the economy — between 1970 and 1978. However, the gross value added, which takes no account of things like depreciation, loan repayments or rents, is not suitable for calculating agricultural income trends. If we take into account the four factors I just mentioned, we find that agricultural incomes have not increased by 3.5 %, but only by 1.9 % in real terms — quite a different figure.

Far from catching up with non-agricultural incomes, agricultural incomes have thus in fact been falling further and further behind. In these circumstances, do the Commission's proposals on the fixing of agricultural prices for 1979/80 meet the threats facing the Common Agricultural Policy and farmers' incomes? The answer, unfortunately, is in the negative. As far as re-establishing common prices is concerned, the

## Liogier

Commission has proposed that MCAs be dismantled over a four-year period by what we might call a 'semi-automatic' process, which could still come into being despite the introduction of the European Monetary System.

While four years may be a reasonable deadline for the existing MCAs applying to the strong-currency countries to be dismantled, we must allow the weak-currency countries — in other words, the negative-MCA countries — to phase out their monetary compensatory amounts more rapidly, if they so wish. Moreover, we must set our face against any automatic mechanism for creating new MCAs. The creation of new MCAs must be subject to a Council decision, and any such MCAs must disappear again within one year. There must also be a revised method for calculating compensatory amounts for pigmeat so as to put an end to the present distortions of competition. This would be a transitional measure pending the complete elimination of MCAs, and it is urgently needed in order to remedy the catastrophic situation facing breeders in certain parts of the Community.

The revised method of calculating MCAs should also be applied to other products, such as processed products, to put an end to indirect distortions of competition between the Member States.

The Commission's proposals do not offer any remedies to the attacks which have been made on the principle of Community preference. There are no proposals for customs duties or levies designed to restrict imports of soya or manioc. Instead, the Commission has confined itself to negotiating voluntary restraint agreements with countries like Thailand, overlooking the fact that importers can instead turn to Africa for their supplies of manioc. Voluntary restraint agreements which do not cover all producer countries are bound to remain basically ineffective. The Commission is now proposing that the B quota for sugar should be reduced to 120 %, although it imports 1 200 000 tonnes of sugar from the ACP states, and despite the fact that the surpluses are due in part to the fact that favourable weather conditions have resulted in two exceptional crops in succession. There is therefore absolutely no justification for introducing a restrictive policy as regards sugar, especially as, only a short time ago, we had periods of acute shortage which could easily recur. We realize how essential such imports are for the economic development of the producer countries, but we believe it must be possible to reach an agreement with these countries to encourage them to diversify production and produce the protein crops needed by the Community. An agreement along these lines would enable the producer countries to finance much of their economic development programme, and the Community would be able to reduce its dependence on traditional suppliers, like the United States. The Community

should also agree on an overall policy on protein crops, if necessary levying customs duties on imported substitutes, so as to safeguard the principle of Community preference. This should enable the Community to get to grips with the problem of surplus production.

Financial solidarity does not fare any better in the Commission's proposals. The new co-responsibility levy on dairy production — which may be as high as 13 % — would thus yield 3 000 million EUA. We should then have the extraordinary situation of the dairy sector being the only sector within the Common Agricultural Policy to be virtually self-financing. This is far removed from the original idea behind the common market in agriculture. Such a highly levy would be unacceptable, especially in view of the price freeze proposed by the Commission, which we are not prepared to back.

The Committee on Agriculture therefore decided to amend the Commission's proposals so that the co-responsibility levy would be regarded as a temporary measure designed to restore balance to the dairy market, and would hit only structural surplus production, with priority being given to the elimination of surpluses of dairy products.

The Committee on Agriculture also calls for small farmers, hill farms and disadvantaged areas — which were required to pay the old co-responsibility levy — to be exempted from this levy on the production of milk.

The Committee has also put forward various measures designed to complement the existing anti-structural-surplus measures, with special emphasis on encouraging farmers to allow dairy cattle to suckle calves in preference to importing protein feedingstuffs.

Despite the express provisions of the Treaty, the Commission intends this year to insist on a pure and simple price freeze. We are fundamentally opposed to any such move for the following reasons. Firstly, it will not help to direct agricultural production. Secondly, it will not restore balance to agricultural markets by encouraging producers to abandon products in which there are surpluses in favour of products in which the Community has a deficit, such as beef and veal. Thirdly, it may well speed up the flow of small-scale farmers leaving the land to swell the ranks of the six million people already out of a job in the Community — either because they could not cope with their financial commitments, or because they could simply no longer make a decent living from agriculture. Fourthly, a price freeze would create uncertainty at producer level, in that farmers would have no means of knowing whether their investment plans will prove profitable. Finally, it would not give the strong-currency countries sufficient room for manoeuvre to eliminate their MCAs.

## Liogier

The Committee on Agriculture felt therefore that the rise in agricultural prices for 1979/1980 should at least compensate for the elimination of MCAs in the strong-currency countries, so that farmers in those countries will not suffer a loss of income. The Committee has thus called for a price rise of at least 3 %, which would leave the strong-currency countries considerable room for manoeuvre for reducing their present MCAs and eliminating them completely within four years in roughly equal stages.

These, Mr President, are the essential points of the compromise reached by the Committee on Agriculture. We cannot accept the Commission's proposals in their present form, and we very much hope that the Commission will re-examine its proposals in favour of the farmers, whose cause is a deserving one.

The only positive aspects of the Commission's proposals are those concerning agricultural structures and food aid. As far as socio-structural measures are concerned, EAGGF funds should be concentrated on the most disadvantaged regions of the Community and on smallholdings. The Commission's proposals on food aid go beyond the amounts fixed by the Council for the 1979 budget. Unfortunately, the Committee on Agriculture was unable to express a view on the detailed socio-structural proposals because it did not have the proposals in its hands when it examined this report. While approving the Commission's guidelines in this field, the Committee calls for Article 39, paragraph 1 of the Treaty of Rome to be adhered to and for the Commission to take account at long last of the problem of land ownership when it comes to drawing up any future proposals.

Finally, Mr President, it is important that we get back to the guiding principles of the Common Agricultural Policy, but we must also extend this policy by market organizations for apples, sheepmeat and ethyl alcohol of agricultural origin, as we are obliged to do as a result of the Court of Justice's judgment in the Char-masson case.

Let me conclude by asking the Commission to let us have a reply to the fundamental question of where European agriculture is heading. The public really must be told whether we intend to treat agricultural produce as a vital commodity, like petroleum, or whether we shall be content to process imported agricultural produce, with all the attendant dangers of dependence on third countries. The point at issue is no less than the very future of the Common Agricultural Policy, and hence of European unification.

That is why I would ask you most fervently, ladies and gentlemen, to give your approval to the motion for a resolution which your Committee on Agriculture played an important part in amending and finally

approving. I should like to thank the Committee for its work, and my special thanks — for their valuable cooperation — go to Mr Scott-Hopkins, Mr Müller and Mr Croze, the draftsmen of the opinions of the Committee on Budgets, Committee on the Environment, Public Health and Consumer Protection and the Committee on Development and Cooperation respectively.

**President.** — I call Mr Scott-Hopkins to introduce the opinion of the Committee on Budgets and to speak on behalf of the European Conservative Group.

**Mr Scott-Hopkins, draftsman of an opinion.** — Mr President, may I first of all congratulate the rapporteur on the extraordinarily hard work that he has had to put into bringing this report before the House. Indeed, the way he has presented it now and the brevity of his remarks underline the comprehension which he has of the problems which are facing the Community regarding agriculture.

This year, Mr President, the Committee on Budgets was able to adopt unanimously its opinion on the agricultural package, and to do it after a single and fairly short debate. This happy situation was caused by two factors, one negative and one positive. I shall deal with the negative one first. We were faced in the Committee on Budgets yet again with the fact that Parliament cannot exert any effective democratic control over agricultural expenditure. We are now going through the same ritual dance in this House that we have gone through year after year.

The Council of Ministers, whose representative I see smiling at me over there, could not care less what we say in this House. Not one tiny bit. They listen to us, they are indulgent like a fond parent, then they go away and completely forget what we have said. Our views play no part in the horse-trading which they undertake with their partners in the Council, and of course with the Commission as well. What Parliament has said has been of no relevance to their final decisions at all. That is the situation now, Mr President. Whether it will be the same when we have 410 directly elected representatives I would not venture to hazard a guess now. I would sincerely hope that things will change after June 7, when there is a directly elected Parliament with all the influence that those 410 Members will bring to bear. And of course one hopes that at some stage there will be a procedure for conciliation between Parliament's views and those of the Council. But at the moment there is no way that is going to happen. Nevertheless, we must put forward as firmly as we can the views of the House. It is my task at this moment to put forward the views of the Committee on Budgets on this particular proposal from the Commission.

**Scott-Hopkins**

I said there were two factors; the second factor is the positive one as opposed to the negative one which influenced the Committee on Budgets. It is that, mainly due to the proposed price freeze, no additional expenditure will be incurred by the agricultural package, at least, I do not think it will. Indeed a net saving of some 80 million EUA is expected in the 1979 fiscal year and 200 million EUA for the 1979-80 marketing year. Moreover the budgetary revenue stemming from the agricultural levies should be increased. So no supplementary budget, I suspect, will be needed this year. It should not be and I see that the Vice-President of the Commission is nodding his head. That must be a positive factor, and indeed the Committee on Budgets has worked on this prospect.

But there are one or two peripheral matters of importance which refer to specific Commission proposals which I must quickly mention.

The first one concerns the co-responsibility levy. This year the Commission proposes to raise significantly the level of this levy, which is going to yield, as a tax, several million units of account. In the past the Committee on Budgets has strongly criticized the undemocratic character of a tax whose nature and rate is decided solely by the Council without any parliamentary approval either in the national Parliaments or here at European level. This time the situation is worse because of the way the Commission's additional proposals vary the rate according to certain criteria which I maintain are unfair and are not applied equitably throughout the whole of the Community.

The Committee on Budgets also regrets that there is an imbalance in between the Guidance Section and the Guarantee Section. I will perhaps say a few words more about that in a moment when I am speaking as the spokesman for the Conservative Group. But I do insist that from the budgetary point of view the balance between guidance and guarantee is unsatisfactory — there should be more emphasis on the Guidance Section if we are going to get over the problems of surplus, etc. than there is now.

Lastly, the committee criticizes the inclusion of the food aid proposals in an agricultural package. I won't rehearse all the points concerning this, but it is a question of whether it is compulsory or non-compulsory and under which particular Article it comes. We have had a row — and we shall be having further rows with the Commission concerning this when we are dealing with food aid under separate headings. But I should say that the Committee on Budgets feels that food aid should be clearly separated from the CAP. In any case, the decisions on food aid belong to the Budgetary Authority and not to the Council alone. As I said, we shall be coming to debate that under the heading of a separate report for which I also happen to have the honour of being rapporteur.

What I am saying on behalf of the Committee on Budgets is that Parliament really hasn't got effective

control over agricultural expenditure. I think we have got to accept that at the moment and I think it absolutely fair to say this 75 % of the Community's expenditure is out of our control. This is quite obviously something to be understood clearly throughout the Community and by this Parliament and, I hope, by our successors as well. I believe that one of the major tasks ahead must be to organize real democratic control over the agricultural policy and agricultural spending.

Now, Mr President, with the agreement of my colleagues I will speak very briefly on behalf of the European Conservative Group. I think there are three main issues in this debate. The first is the decision by the Commission to recommend a price freeze. I agree with them and my group accepts the need for a price freeze. I can understand what Mr Liogier, the rapporteur for the Committee on Agriculture, has said. Of course there are problems for those countries which have no margin for manoeuvre; but where you have surpluses, I cannot believe that it is right to have overall increases in the price of those particular commodities. Of course, this is going to be difficult. I accept that, for instance the Danish colleagues in my group are unable to accept the idea of a price freeze. I would have thought that if the House and the Commission are successful in their horse trading with the Council, so that at a later stage, a price freeze is agreed on, then special measures must be taken for people like our Danish colleagues who have no room for manoeuvre and whose farmers will be extremely hard pressed. I would accept that that is absolutely necessary.

The second issue concerns the green currencies. I understand from the British Minister of Agriculture that a devaluation of 5 % in the United Kingdom green pound has been already accepted in principle, though I believe that the final date has not actually been agreed to. I hope it will be decided at the end of this month. We were told in the House of Commons that this final arrangement is purely a technical matter. I hope this is true, but I suspect that there is a little more to it than that. Perhaps either the representative of the Council or perhaps Mr Gundelach, when he comes to talk in this debate, will say exactly how firmly this acceptance of a 5 % devaluation has been agreed to. It is of course true that in the United Kingdom the farmers' organizations are asking for a much greater devaluation — one of up to 15 %; but one has to view the other side of the coin as well, and the other side of the coin is, of course, the consumer interest. I have piles of papers here from the various consumer organizations, not only in the United Kingdom, but elsewhere. We are saying that one thing we must try not to do is to raise the price to the consumer of the various commodities throughout the agricultural sphere. Therefore one would, I think, have to be prudent and accept that this is as far as we should go at this time. Though, of course, if further

**Scott-Hopkins**

thought is given to price rise, then it would be much better to put that price rise in terms of increased devaluation of the weaker currencies, rather than have a rise in commodity production which will only exacerbate the surpluses.

The third point of importance is something I already mentioned when I was talking as draftsman of the opinion of the Committee on Budgets, and that concerns the co-responsibility levy. Here you have a situation which is really quite intolerable from the United Kingdom's point of view. It really is impossible to accept that there should be a tax on milk producers which is not going to be borne fairly throughout the Community. Mr Liogier, our rapporteur, put it very blandly when he said that of course we must exclude this and that, but the end result of the Commission's proposals is that only 0.8 % of British milk producers will be excluded, whereas in Italy, for instance, 27.5 % will be excluded and in the Federal Republic of Germany it will be 17 %. That is obviously grossly unfair. There is a further proposal, as I understand from the French Presidency, that the co-responsibility levy should increase according to litreage produced. Even on those proposals the United Kingdom would pay 43.3 % of the total levy, and the French, bless their little toes, would only pay 9.2 %. That can hardly be called fair. I really do not believe that the kind of levy proposed by the Presidency would be any more acceptable certainly to me and to my group than that which is being proposed by the Commission. I accept that in mountain areas, which are very closely defined, milk producers — who should not be producing anyhow, though some are being allowed to for certain historic reasons — should be excluded. But let us otherwise apply this levy right across the board.

We have a desperate situation of surplus in several commodities, in particular milk. As has been said by Mr Gundelach in the committees, we have had an enormous increase over the last two or three months of 7 % in milk production. One has to ask oneself: will these measures in themselves reduce milk production throughout the Community? My answer to the House must be no. They are not imaginative enough, and they simply will not do. To think that they will work, by, for instance, putting a tax on margarine to encourage the sales of butter, is absolutely lunatic.

*(Applause)*

You are going to be lowering the sale of margarine as well as of butter, you are making the darned things more expensive all round. That is nonsense.

But I really have to say this: if the Commission want to reduce milk production, they have got to do two different things; not only have they got to find a method of discouraging production straight into inter-

vention by fixing the price so that this is not profitable, at the same time they have got to give alternative means, to make it really worthwhile in the structural sense, for farmers to convert from milk production to other forms of production. If that is an impossibility, then they have got to consider giving a social subsidy to farmers who cannot so do. I really believe that they must be imaginative along these lines — and we could be talking here about a rural fund, which I believe the Commissioner is not opposed to in totality. If that can be established, and a regional infrastructure created in the rural areas, and the Social Fund used, as well as the Guidance Section, in a much more imaginative way than at the moment, then I believe there is a possibility that we can halt the expansion of milk production and bring it under control. The same could apply to sugar and sugar-beet as well. These are issues which have got to be attacked boldly. I do not believe that what is being put forward by the Commission is going to achieve that end.

Therefore, Mr President, my group has put down a series of amendments which I will formally move now so we will have no need to do so later. I believe that what the Commission is trying to do as far as the price freeze is concerned is correct. But I believe that beyond that they have got to be more imaginative, they have got to be bolder than they are at the moment. Although we are going through a ritual dance, with the Council listening to us now but paying no heed to our advice at a later stage, I sincerely hope that the representative of the Council will notice what we have said in the Committee on Budgets, in the Committee on Agriculture and in the political groups, and that when they are doing their horse-trading at a later stage they will bear that in mind. And I tell them this: after June, woe betide them if they do not take much more seriously than they do now the opinions that this House puts forward.

*(Applause)*

**President.** — I call Mr Würtz to present the opinion of the Committee on the Environment, Public Health and Consumer Protection.

**Mr Würtz, draftsman on an opinion.** — *(D)* Mr President, ladies and gentlemen, I should like to begin by apologizing for the fact that Mr Willi Müller is unable to present the opinion of the Committee on the Environment, Public Health and Consumer Protection because he has unfortunately lost his voice. I should also like to thank Mr Liogier and Mr Scott-Hopkins most warmly for their reports.

Our committee has come out emphatically in favour of the Commission's price proposals for the coming farm year, even though they do not in our view meet all the demands made in the committee. The Commis-



## Würtz

sion must pursue a restrictive price policy if the Common Agricultural Policy is to be saved. Our committee supports the Common Agricultural Policy, but feels bound — in the interests of the majority of 200 million consumers in the European Community — to insist that the CAP's mistakes and shortcomings be eliminated. All of us here in this House know where these faults lie. I would mention in particular the imbalances in various sectors, the rapidly escalating Community expenditure on agriculture and the increasing disparity between European agricultural prices and those obtaining on the world market. I could quote the relevant figures, but I do not think that will be necessary, as we all know how things stand. What we need is not more figures, but facts. What this House should display today is its political determination to save and defend the Common Agricultural Policy by refining the instruments at its disposal and making sure they are applied correctly. I have no qualms about expressing my support for the Common Agricultural Policy here in this House, because I believe we have a duty to do so at a time when the agricultural sector's own representatives have — for what I think are short-sighted benefits and sectional interests — lost sight of the long-term needs of agricultural policy. What we must do is get rid of the existing surpluses in the same way as they first arose. Over-production was encouraged by prices which were set too high for years and years. It therefore follows logically that what we need now is a price freeze.

Even the representatives of purely agricultural interests can no longer deny the validity of this argument. The market imbalances must be corrected by the price mechanism so that we can retain the system of guaranteed prices. Let me stress once again that the Committee on the Environment, Public Health and Consumer Protection is not against the system of guaranteed prices as such. Indeed, we support the system as being in the interests of both farmers and consumers. Our committee feels that the benefits of this system — secure supplies of agricultural products over the last fifteen years — are there for all to see and cannot be denied. The opponents of a price freeze claim that it would be intolerable for the agricultural sector and would exacerbate the disparity between agricultural incomes and those in other economic sectors. We do not recognize the validity of this argument, which has not been improved by being trotted out repeatedly for the last fifteen years by the agricultural lobby. According to Commission figures, farmers' net incomes have risen by an annual average of 3.3 % over the ten years between 1968 and 1978. A comparison of per capita income trends over this period shows that farmers have even had a slight advantage over other sectors. Another favourite argument is that farmers in strong-currency countries will be particularly hard-hit by the introduction of a price freeze in

conjunction with the elimination of monetary compensatory amounts. That is only part of the truth. Let us not forget that farmers in these countries have in the past also enjoyed the benefits of the introduction of monetary compensatory amounts. And what justification is there for all the wailing and gnashing of teeth about falling prices in the Federal Republic of Germany and the Benelux countries over the last farming year? Despite falling prices, farmers in my country for example have seen their incomes rise by something like 8.8 %, although admittedly the good harvest, the expansion of productive capacity and rationalization measures on German farms had something to do with this.

Ladies and gentlemen, I realize that these global figures do not accurately reflect the situation of small-scale farmers in Europe. Income disparities within the agricultural sector are clearly very much greater than those between agriculture and other economic sectors. But this internal disparity cannot be done away with by manipulating prices. What we need is a determined structural and social policy, which is something the Community has so far tackled only reluctantly.

Mr President, our committee welcomes the social element of the proposed co-responsibility levy, which is designed to ensure that small farmers may — on request and subject to certain conditions — be exempt from the increased levy. This is a first major step towards treating European farmers differently, depending on the size of the farm and the level of income.

Finally, I should just like to comment on an annoying aspect of European agricultural policy, which is known to the Commission, but which the Commission has so far been unable or unwilling to deal with. What I mean is the jungle of national farming subsidies, which the Commission again referred to in its last agricultural report, pointing out that 'analysis of national expenditure by country and by category brings out the diversity, and indeed the divergence of the objectives that the Member States have set themselves in aid of their agriculture'.

Mr President, ladies and gentlemen, the Committee on Consumer Protection felt that this House and the people of Europe should be thoroughly and clearly informed by the Commission about this jungle of national subsidies. Thank you very much for your attention.

**President.** — I call Mr Croze to present the opinion of the Committee on Development and Cooperation.

**Mr Croze, draftsman of an opinion.** — (F) Mr President, ladies and gentlemen, I shall be as brief as possible, as the Committee on Development and Cooperation has only been asked to express an opinion on a small part of these proposals, namely the food aid measures.

## Croze

This is the first time this subject has been dealt with in the Commission's proposals on the fixing of agricultural prices. In its preliminary draft budget for 1979, the Commission proposed to the Council that 1 135 000 tonnes of cereals, 150 000 tonnes of milk powder and 55 000 tonnes of butter oil be allocated in food aid. The Council agreed to the proposals for milk powder, but reduced the quantity of cereals to 720 500 tonnes and that of butter oil to 45 000 tonnes. The Commission believes that the higher figures should be reinstated.

On 28 November 1977 the Council gave the Commission a brief to negotiate the new Food Aid Convention with the Community's annual participation to be 1 650 000 tonnes, and the 'Budget' Council of 18 July 1978 gave an undertaking that, if the Community participated in the world Food Aid Convention in 1979, the appropriate conclusions would be drawn at budgetary level. Since the Commission has a mandate to increase the Community's participation in this Convention, it is only logical for the Community to increase its financial commitment, and that is why the Commission reserves the right to submit appropriate measures to the budgetary authorities at the proper time, so that the financial consequences can be taken into account.

It should be remembered that the major feature of Community agriculture in 1978 was a record harvest of 116 million tonnes of cereals. At the same time, the cereals deficit in the developing world is growing continually and seriously and, according to various estimates, will have reached something between 85 million and 200 million tonnes per annum by 1985.

The Commission believes that the total quantity of butter oil to be supplied should be increased to the 55 000 tonnes it originally proposed in the preliminary draft budget for 1979. It points out that considerable aid must still be supplied to India under the large-scale rural development programme entitled 'Operation Flood II', which alone accounts for an annual delivery of 12 700 tonnes. Butter oil is also of great importance to developing countries, and the annual shortfall has been estimated at 500 000 tonnes. This figure alone is enough to demonstrate the importance of butter oil to developing countries. The additional costs of supplying the extra quantity proposed by the Commission are estimated to be 13.8 million EUA in 1979. As Mr Liogier pointed out — and I should like to thank him and congratulate him on his excellent report — these proposals go beyond what was provided for in the 1979 budget, and we can only welcome them.

On 5 March last, Mr Cheysson told the World Conference of Young Farmers that, in six years, the proportion of the world population unable to satisfy its calo-

ric requirements had increased from 25 % to 28 %. In the light of these figures, I cannot overemphasize the fact that this aid programme — which is a new departure in that it aims to encourage local development as well as fulfilling basic needs — is of very great importance both to the recipient countries and as a model for a future programme.

The Commission does not propose any other action with regard to measures concerning developing countries. Since the Commission does not mention the fact in its proposals, let me point out that the ACP States have indicated that they are interested in obtaining surplus Community agricultural products at stable prices over specific periods and at preferential rates. These questions were discussed in the ACP-EEC ministerial meeting in December 1978 and raised again at the Joint Committee meeting in Bordeaux in January and February 1979. In the case of skimmed-milk powder, Community stocks have been reduced from 1.3 million tonnes to approximately 700 000 tonnes, which is still an extremely high figure. The Committee on Development and Cooperation therefore believes that this question should be given far greater priority by the Commission, with a view to achieving agreement on at least some products as soon as possible. The Committee hopes that the Commission's proposal will be implemented, and that serious consideration will be given immediately to the other measures mentioned above, which will reduce agricultural surpluses and be of benefit to developing countries, particularly — and I would stress this point — the poorest ACP countries.

**President.** — I call Mr Howell, who tabled a question on the same subject for Question Time.

**Mr Howell.** — Mr President, I must make it clear that I do not speak for my group, as I hold different views from those of my colleagues in general. I believe that this is a very poor price review; it is a negative price review and gives no positive encouragement to farmers to produce those things we could produce, and I believe it will not have the desired effect of reducing surpluses. I believe that Mr Liogier's report would be better, although that too could not solve the problem. I ask Mr Gundelach to realize that discipline must be brought into production in order to eliminate the huge surpluses which are causing such difficulty and embarrassment.

I agree with Mr Scott-Hopkins when he says we are going through this ritual dance yet again. I also agree with him very much in his criticism of the co-responsibility levy, and it is this which I intend to concentrate on in my remarks.

The budget report talks of the unorthodox nature of the co-responsibility levy and its undemocratic origin.

**Howell**

I wonder how this will stand up if it is brought before the Court of Justice. I would like to remind Mr Gundelach of an earlier occasion, before he was responsible for agriculture, when the skimmed-milk powder inclusion was challenged in the courts and the Commission were found to be out of order. I think a considerable amount of money had to be paid out as a result.

I do not believe this co-responsibility levy is either practical or legal, and I urge him to reconsider it. I want to draw his attention to the question which I tabled, but which was not called yesterday, as to how it could be policed if it were proved to be legal and were ever operated. I hope it will not be; I hope there will be no attempt to operate this co-responsibility levy, because I believe it will get all of us into great difficulties. How on earth is he going to police it when 37 % of German dairy farmers, 25 % of French farmers, 27 % of Belgian farmers, just to mention a few, will be likely to claim exemption? How on earth are they going to check whether these farmers are putting in proper claims? What is to prevent the farmers from hiving off part of their herds to their wives or their sons? All sorts of fiddles will result from this ill-conceived idea. Again, it is totally unjust, because if any dairy farmer listens to what the Commission is saying and reduces his production, he is going to be penalized just as much as the fellow who increases his production and ignores the Commission's suggestions. This cannot be right. It is such a strange and unworkable proposal that I find it difficult to find words to criticize it with.

May I draw the attention of Parliament to the total failure of the Commission in past years to control dairy output? In 1974 production exceeded consumption by 10.8 %; in 1975, the difference was 12.2 %; in 1976, it was 14 %; in 1978 the Commission says it will be 18 %, and the 1985 projection is 34 %. Now, if this isn't a Rake's Progress, I don't know what is.

We have had some form of co-responsibility levy before. This thing is different and much more savage, but I believe it will still not have the desired result. If it did cut in strongly enough — assuming if it were ever operated, which I do not think it ever will be — we should reach a point where a huge proportion of dairy farmers were forced out of business, and we should swing right over to a milk shortage. It is much too blunt an instrument. May I therefore try to put forward a practical proposal?

I implore Mr Gundelach to consider the suggestions which are being put forward in the 'own-initiative' report from the Committee on Agriculture on measures to deal with the milk surplus. The report itself does not meet with my approval, but there is a minority report appended to it. It will come before

Parliament next month, but I think it would save some time if the Commissioner would give serious thought to it now. What I think we need to do is to forget co-responsibility, because it is not practical.

What we need is individual farmer responsibility, so that if an individual farmer produced more than, say, 90 % of his previous production, he would be seriously penalized so that his production was less profitable than if he only produced 90 % of what he had previously produced. To do this it would be necessary to have a milk register, and this would take time. But the sooner we get this milk register throughout the Community the better, since it would be a first step towards introducing some discipline into our milk market, which distorts the whole of our agricultural production in the EEC and is doing such grave damage to the whole ideal of our Community. We should give serious thought now to this form of discipline, a discipline which would affect each dairy farmer. If he ignored it, then he would be damaging himself. I have thought about this for many years, and the more I think about it the more sure I am that this is the only way; therefore, the sooner the Commission takes this on board the better.

One final question which I would like to put to Mr Gundelach is to ask what he is going to do with this money when it is collected. I understand that if the present estimates are correct, something like 3 000 million units of account will be collected in a year. What on earth is he going to do with it? We need an answer to this, because I do not believe it can just go into the general kitty. Previously the money from the co-responsibility levy was devoted to general advertising to increase consumption, but that is not practical with the huge figure envisaged, and so I would ask him to give me an answer to that question also. Once again, I would beg him not to pursue this co-responsibility idea, because it will get him into very deep water indeed.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr President, I am grateful to you for giving me the floor at this stage of the debate because, after all, the House is discussing a proposal from the Commission and not a report from COPA, even if I am sometimes a little bit in doubt as to what you are really discussing. But you are here to discuss a proposal from the Commission, and it is, I think, at this stage of the debate appropriate for me to introduce the main political thoughts and the facts of life which lie behind these proposals.

The annual discussions of prices and related matters are naturally a high-point in the administration of the common agricultural policy, and the debates in the European Parliament are of great political importance.

## Gundelach

I am therefore very happy that, even if it is Commission proposals you are discussing, the President-in-Office of the Council, even if for practical reasons he is slightly delayed, will be with us for the remaining part of the debate. Because I think it is important that what is said here in this debate and the conclusions one arrives at have an impact on the subsequent decision-making in the corridors of the Charlemagne Building in Brussels, or in Luxembourg, or however it may be. Mr Scott-Hopkins is naturally right to say that in the past that has not always been the case to any pronounced extent, and I, like him, personally regret that deeply. Because when you are administering an economic, social and sectoral policy like the common agricultural policy, which costs the taxpayer a great deal of money, you must do it on the basis of sectoral advice, however important that is. One has to do it — you, Parliament, I the Commission, and the Council — as representing the public interest, and within that public interest one takes into account this or that particular interest. But we are here as public servants, and not as representatives of any particular sector.

*(Applause)*

I am sure that the debates of Parliament would gain by Parliament having more influence on decision-making, including influence in regard to the various budgetary matters to which Mr Scott-Hopkins made reference. It would democratize the decision-making process of Europe. But it would also mean that a number of statements I have already heard this morning in this House, and which I am sure I am going to hear this afternoon, would not be made. Because then the Members of this Parliament would have not only to ask: 'Give agriculture this, that and the other, and for Christ's sake don't take this, that and the other away.' There would have to be a link between those who make demands and those who have to shoulder the economic consequences of those demands. If there is too big a cleft between these two parts, no debate is really more than a theoretical exercise subjected to pressures from this or that side, and not likely to have too much influence on the corridors of Charlemagne, which need in many ways to be aired out a bit.

Mr President, I would have thought at this stage that the background of the Commission's 1979 agricultural price proposals was well known, that there was hardly anyone in the Community who did not know that we faced growing market imbalances for products like butter and sugar. But evidently, listening to this debate, that is still not the case. A great deal of the public and private discussion on our price proposals has ignored the backcloth of market disequilibrium. Instead, we have heard all sorts of arguments, like

clowns in a circus, as to why we should abandon our prudent price policy and give farmers a three and four per cent price rise in units of account.

I make no apologies then for beginning my remarks today ...

*Interruption: 'Clowns in a circus?')*

I will come back to the circus in a minute. I make no apologies for beginning my remarks today with a list of our market problems.

First, milk and milk products. We have a quarter of a million tonnes of butter in public store. Skimmed-milk powder stocks are below 600 000 tonnes and are only at that figure because we are spending vast sums of taxpayers' money so that we can feed it to animals or give it in food aid. Our total spending on milk market support last year was 3.4000 million EUA, and we expect to have to spend more in 1979.

Second, sugar. We have an exportable surplus of one and a half million tonnes of home-grown sugar — not sugar imported from the ACP countries, but grown here in the Community. When we take into account our obligations to import 1.23 million tonnes of sugar from the ACP countries, we are faced with the necessity of exporting 3 million tonnes of sugar on depressed world markets. To move that sugar into export markets, we are having to pay export refunds equal to about 75, sometimes 80 per cent of our internal support prices.

Third, cereals. We have about 600 000 tonnes of rye in store, not solely because of good harvests but because we are paying too high a price to buy it into intervention. The good harvest will leave us with about 10 million tonnes of wheat and barley in July despite reinforced export efforts in circumstances in which we have to export with refunds at about 70 to 75 or 80 per cent of the price of cereals.

Fourth, beef. We have been going through the beef production cycle, yet intervention authorities are continuing to buy, exceptional quantities into store. It indicates that we have not passed the point of stabilization in the beef market, even if there are some signs in our Community of picking-up of consumption. Is that then the moment, when at long last the mistakes of four or five years of beef policy are about to be corrected that we should again start increasing beef prices and discourage the beginning of recovery of consumption of this important product for agriculture?

We have, by the way, this year also a great quantity of apples in surplus. I mention this because it has given rise to the rumour that we were destroying big quantities of apples. We are not. We do have an excess production of apples this year, as we have for so many other agricultural commodities, but in accordance

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with our rules we are withdrawing them from the market and disposing of them to schools, social institutions and the like. We may have to fall back on using them for various manufacturing purposes or for fodder, but not for destruction. I want to make that absolutely clear at this particular point.

I will end this dreary catalogue here, because I think the examples I have given are central and heavy enough to paint a picture which I regret I do not see in the report from the Committee on Agriculture.

*(Applause)*

But I hope I have said enough to impress upon everyone in this chamber that the Community faces considerable problems on its agricultural markets. These problems are due to stagnating consumption and rapidly growing production, and they are putting an unbearable strain on the agricultural budget. I am naturally well aware that for some commodities the production increase was particularly strong in 1978 because of good weather, which is by the way one of the reasons contrary to other sectors of the economy, when there is a surplus prices do not fall very much in agriculture, because we have a system of security of prices. The farmer can produce more and yet get a reasonable price. It is not the laws of supply and demand which apply.

But we have, as I have said before, to take seriously the underlying trend in production and consumption, and, as I said in this House at every debate we have had on these matters, there is for the major products a year-long trend of increases in production which compares with a year-long trend of stagnation in consumption — irrespective of the massive financial support we have applied to increase that consumption on internal markets, and on exports, and on food aid. We cannot close that gap. We have been lucky in keeping the level of skimmed-milk powder down. We have been lucky so far in keeping the stocks of butter down. It is a remarkable success, but at a cost. But when the curves continue to go away from each other, something has to be done in order to regenerate the credibility of the common agricultural policy.

Nobody more than I considers that policy to be a fundamental cement in the European construction. Nobody more than I is willing to protect and defend this policy against abusive criticism, which we are hearing even these days from people in high office. But it cannot be done with credibility if we are not seen to be willing to take the invariably unpopular measures which are necessary in order to bring a certain order to the administration of the common agricultural policy.

The Commission is not suggesting, Mr Liogier, that the Community should abandon its common agricultural policy, or that it orient itself towards a massive import of agricultural commodities. We are fundamentally self-sufficient in most important agricultural commodities. Even if we import some butter from New Zealand, or some sugar from the ACP countries, we are still net exporters. The only area where we are not is in regard to certain feedingstuffs, to which I shall return. But there is no question of the Community moving away from basing its agricultural consumption to a very large extent on its own production. There is no change in that line, but there is a warning that we cannot go on producing vast quantities of agricultural commodities for which there is no market, other than the intervention price. The taxpayer in all our Member States will not permanently accept such a policy.

*(Applause)*

There is therefore only one response to this market situation, and that is to press ahead with the policy of price prudence that we started three years ago, a policy that has also contributed a great deal towards bringing down the rate of inflation in the Community. Everything indicates to us that agriculture can bear such a policy this year. The objective method, which farmers have made so much of in the past, shows no need for a price rise. Indicators of real income show that real incomes are evolving satisfactorily in framing.

And, now, Mr President, I shall make an effort to explain my position in regard to incomes. It was on this issue that I made, maybe, the unfortunate comment a little while ago, which I withdraw and apologize for, about the circus. I apologize. But what lay behind that emotion on my side was a continuous debate in Council, with interest groups in Parliament, on figures which are changing every year, on methods which are changing every year. In this debate in this House, you were all standing up last year and telling me: 'Commissioner, why are you not basing yourself more solidly on the objective method?' This year I do not hear about the objective method. I hear about some other figures which are being calculated this year and never before. Two years ago, I also had the objective method, but calculated in a different way, on different currencies, in order to give a different result. So I apologize for my outburst. It was uncivil of me. But I hope you will bear with me if I am a little bit confused that one be confronted with entirely different figures and entirely different methods for considering the position of agricultural incomes from year to year. I do not think that it is good for the credibility of any of us with the public to be juggling around with these figures every year.

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I am therefore glad, at the outset of my comments on income figures, to report to the House that with one very interested party, the agricultural organizations represented in COPA, we have reached the point where at least we agree on the figures, on the various definitions. And we agree that this confusion to which I referred with unfortunate words about which they felt the same way, will be replaced for the future by an agreed method, so we do not have these changes all the time. Naturally Parliament must be consulted about how that method is to be worked out. But it is of paramount importance that this disarray and confusion, smokescreening and mutual attacks, are avoided, and we arrive at something which is closer to an objective basis when we discuss that element of the price construction which is incomes. It is, of course, one element. An important one, but not the only one that is important. Much of the discussion on this has been based on the Commission's views in regard to the state of farmers' incomes.

Here again, I will try to sketch out the areas of agreement and disagreement. Everyone agrees that farming is considerably better off now than it was in 1970, or even in 1968 at the beginning of the common agricultural policy. And I mean better off in real terms, account taken of inflation. The disagreement is over the answer to the question: how much better off are farmers today than they were? And the other question: have farmers' incomes grown more quickly or more slowly than in other sectors of the economy? Let me put both answers into figures: real per capita farm incomes have gone up on average by 3.3% a year since the beginning of the CAP in 1968. And I am using a three-year average around that year to describe 1968 because I was accused last year by COPA of using only one year. That again is why I lost my temper a little while ago. That figure already takes account of inflation and, contrary to what you have been told, of the depreciation on farm building and machinery. In other words, I must strongly deny the accusation that the Commission is trying to distort the facts. Much has been made, over the last few weeks, of the allegation that by using the statistics of gross value added as an indicator of income, the Commission is failing to allow for the depreciation in the value of machinery and buildings. This allegation, as I have just said, is not true. The 3.3% figure I have given takes depreciation fully into account. Agricultural interests go further and want the Commission to leave out of the reckoning things like rent and interest payments and salaries to workers on farms. This is basically what the argument has been about. But this I clearly must refuse to do. At the moment we are comparing the incomes in the agricultural sector with incomes in other sectors, not one farmer with an industrial worker, a small industrial enterprise, a shopkeeper. Little emphasis has been placed on what we are using as the basis of comparison: it is all

other sectors of the economy, the bulk of which is made up of industrial salaries where depreciation and interest do not apply.

So much for the long-term. But what, you may ask, about 1978? Here the picture is substantially the same. Real income growth in agriculture was more than 4%, as against 2.6% in the rest of the economy. Here both of my figures make allowance for inflation and depreciation. The agricultural figure also leaves out of account the income for producing potatoes and from national subsidies. Here our partners and critics against the dictates of good common sense do not agree. They say that by adjusting for the subsidy figures and the potato figures we are cheating to some extent. This of course is not true. We have left out potatoes and national subsidies because they vary widely from year to year and have absolutely nothing to do with the common agricultural policy. I ask you: should farmers have a price increase because they are no longer receiving subsidies to compensate them for the 1976 drought? It is obviously simply not reasonable. Should we ask our consumers to pay more for butter because they are paying less for their potatoes? The answer to both questions is an emphatic no. From the Commission's side then there is neither truth nor force in the argument that farming needs an across-the-board price rise because it is not doing well. Real farm incomes have risen each year on average since the beginning of the CAP, irrespective of whether you use the net value added, the gross value added or whatever method you use. They have risen more quickly or at least as rapidly, whatever method you use, whatever figure you take, than those in the rest of the economy. And 1978 was an above average year.

Mr Liogier, your figure of 1.9 refers to the net operating surplus for farmers. That is deducting an artificially calculated rent for living in your own house when you have deducted interest rates. But can we conduct an agricultural prices policy on the basis of interest rates in Member States in a Community which has not yet coordinated its economic policies? It varies from 4 or 5% in one country to about 15% in another country. Am I to propose price increases on the basis of the highest interest rate in the Community, which I think is Denmark's? It, by the way, is the country which with 12.9% had the highest real income in farming in 1978.

Mr Scott-Hopkins, I think your colleague may reconsider. In whichever way you calculate, whichever figure you take, whichever definition you use real income in farming has increased. And even if you take the most cautious figures, the figures our partners in COPA would like us to take, then at least they have done as well as anybody else. And my figures, I think are more correct, because they are calculated in a way which enables them to be compared with figures for

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all other incomes. Your figures, Mr Liogier, cannot be compared with all other incomes because you have figures which are composed in an entirely different way.

One other argument is advanced by those calling for a 3 to 4 % price rise in units of account. They say that although agricultural incomes may rise more quickly than those in the rest of the economy they are still at a lower level. With this I agree. Agricultural incomes on average are at a lower level than those in the rest of the economy. We are comparing two averages. But I want to warn some of the Members of this House, those who come from poor agricultural regions, that there is a catch in this argument, and it was to avoid this catch that I stressed the words 'on average'. It is simply that in the poor regions of the Community many more people live off agriculture than off other sectors.

It is quite clear that when you lump all these regions together with the rest of agriculture they will pull down agricultural average income and so appear to widen the gap between agriculture and the rest of the economy. The warning I want to give to the Members from poor regions is simply this: your farmers will not be greatly helped by an across-board price rise, because the volume of their output is so small and ten years of experience has demonstrated that a price policy of that kind has increased the differences in incomes and not narrowed it. They have not been greatly helped in the past, and the gap between their incomes and those of farmers in better regions has remained at least as wide if it has not increased. They will not be helped by such a price rise now. Do not give them that illusion, it will backfire. They need special treatment in the form of cash injection directly into their regions. They need special treatment like the plan to help the Mediterranean region by pumping 3 000 million EUA into their agriculture over five years. The Commission believes passionately in this approach, and we have enlarged the Mediterranean effort over the past twelve months. Now we are planning to go a stage further and to re-launch the Community's structural policy so as to concentrate on poorer regions and on less-well-off farmers, thereby also beginning, the Council willing, to give the alternatives to surplus production to which Mr Scott-Hopkins was referring. Believe me, this approach will do more to close the income gap between agriculture and the rest of the economy than an across-the-board price rise. Believe me also when I say that it is the only way to close the growing income gap between richer and poorer farmers, and it is to closing this gap that we must direct our attention. It is twice as wide as the gap between the farming and non-farming averages.

Let me then sum up this part of my argument: there are no good reasons for an across-the-board price rise

of 3 to 4 %. Such policies in my view fly in the face of reason. It goes against the urgent need to bring our markets into balance. It is not justified by the long-term or short-term evolution of real agricultural incomes, nor will it help the farmers of poorer agricultural regions. It will just widen the gap between them and their better-off competitors. There is only one healthy price policy this year, and that is the policy that the Commission is proposing, is fighting for and is determined to stick to. It is a policy that aims to maintain present unit of account prices through 1979. Market imbalances dictate this policy, farmers can live with it, and for those in poorer regions the Commission plans special action which is a new endeavour and one which I think shows imagination.

Even our proposals to maintain present unit of account prices, an essential element in the package, are not enough to bring order to the sugar and milk sectors. For sugar we propose to cut the quota by half a million tonnes. Clearly the sugar regime will need to be looked at in a more fundamental way later this year when we put forward our proposals for the regime after 1980. For milk we are now proposing measures that are aimed to reduce milk output. The need for such action is beyond dispute. Milk output in 1978 rose by more than 3 million tones, not one kilogram of which was needed by the market. The whole lot had to be bought or supported in one way or another by Community taxpayers. And if that was not bad enough, milk output was increasing more rapidly at the end of the year than at the beginning, so it is not just a matter of climate. The centrepiece of the counter-attack on this waste of resources is a completely remodelled co-responsibility levy.

Here I would like to make it clear to the House that I personally would have preferred a simpler version, a version which allows the intervention price to fluctuate in relation to the amount of milk produced. I made that clear, I repeated it to the Council. But a vast majority of the members of the Council wants to solve it in the form of a renovated co-responsibility levy. In order to get something at least in a situation which I consider to be getting out of hand, I will go for the second best, but it is a second best. I must say to Mr Howell that while I regard the intervention system as the best system, for reasons which he knows, the quotas are something which stand at the end of the road where I have left you, because it is for me the beginning of a planned economy which I cannot accept. I hope it will not come to that. But there are other comments by Mr Howell which I shall return to where maybe our differences are narrowing.

The co-responsibility levy must be variable in accordance with milk deliveries to dairies, and the money it raises must be pumped back into the dairy industry to help stimulate consumption. These two elements are vital. The variable elements are the only safeguard we

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have against farmers increasing their output to try to compensate for the effect on milk prices. Without it there will be a grave danger that our measures will stimulate rather than deter output. Here lies my answer to Mr Howell: without this kind of progressive tax — it is not a progressive tax in the sense referred to by Mr Scott-Hopkins, as proposed possibly by the Presidency of the Council, but progressive generally, for everybody — then you are right in saying that it will not solve the problem. But with that progressivity it will solve the problem, because it will deter output. We do have the problem of avoiding a situation where it penalizes the producer who is sensible enough to hold back production. Most of the endeavour in our considerations and discussions with the Council is to tackle that problem, which is a fair one. It raises a number of administrative difficulties, but I hope they can be overcome.

That is why a little while ago I said that on this point conceivably the distance between the philosophy represented with such persistence by Mr Howell is coming closer to the views I am advocating here with equal persistence.

In using the money we must concentrate on schemes of central importance. One of the main reasons why the first edition of the co-responsibility levy failed was that the money was used for things which were undoubtedly helpful, but marginal. We must use it for financing the use of skimmed milk and skimmed-milk powder for butter subsidies, for a long term export policy. I am not thinking about export refunds. Heavyweight programmes, strategic programmes can, to some extent, help to lessen the gap between an increasing production curve and a stable, or even slightly decreasing consumption curve.

We would wish to do this in the name of co-responsibility to the largest extent possible, together with producer organizations, but we must this time insist that there comes a point where a decision is taken and the money is not left in the banks, unused for months and months, which was the case with the old co-responsibility levy and one of the reasons why it was so difficult to maintain it a year ago.

Here I have duly taken into account the comments made by Mr Scott-Hopkins about Parliament's role in using money which may not be part of own resources, but nevertheless will be part of the overall agricultural budget. Will we get too much money, Mr Howell? I don't think so. I certainly hope that the other measures we are proposing do not involve further investment of public money, be it in the form of EAGGF grants under Directive No 159, or in other ways, or from national funds. We shall make it clear to the industry that we are not seeking to penalize it, but to stop a development which is a waste. If that

happens, then the tax will not be as big as you foresee, and the money can easily be used within an overall budget which is coming close to 4 000 million u.a., in the milk sector. Although the revenue will be much smaller than 3 000 million u.a. but still significant, there will be ample use for it, and it will ease the burden on the taxpayers who otherwise have to shoulder the difficulties in this area.

Much has been said about the exemptions we are proposing to this scheme. Let me cut this short. I think we were trying to exempt the small farmers who are not contributing to the overall development of surpluses. They may be many — about 33 % — but they only account for 12 % of the total milk production. However, this is a corner which is less important to me than the aspects to which I have already referred. Consequently, I made it clear so that the Council may be clear today, that the Commission is willing to adopt a different policy towards these exemptions, to do away with the criteria to which we have referred in our proposals and apply a flat rate. We can then discuss whether we should have a somewhat lower flat rate for those who only deliver, let's say, 8 000 tonnes of milk and no more. On that basis we shall proceed from here on, and I hope that this will ease some of the difficulties referred to in this House.

We accept that what we had proposed, which had a certain inner meaning, is becoming too complicated in actual fact, and I want to inform Parliament that we shall be going for a simpler way to take account of the problems of the small farmers. But we do not want them not to be taken care of.

There are other aspects of this scheme which we are perfectly willing to discuss. I will therefore sum up by saying that what is important to us, since other possibilities are not open to us, is that the levy should be introduced, and I think it will be. The levy must be variable. The proceeds must go to encourage consumption and to help to bring the market into better balance. There must be exemptions on social grounds for small producers, but on a simple basis, as I have just explained.

I think it is relevant when dealing with these surpluses, that the Commission also draws the attention of the Council to the need for some increases in food aid, and one of your rapporteurs has referred to this in a way which I can accept. I only want to repeat one thing, which I said in this assembly many times before. The Community, like other agricultural producing countries in the world, stands ready to help those in need of foodstuffs, but we never look upon food aid as a way of solving our own structural surplus problems. We will stand ready to help when help is needed, with what is needed, but we shall not look at food aid as a means of disposing of our surplus ourselves.



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The world does need some skimmed-milk powder, some milk powder, some butter oil, some cereals, and we stand ready to increase our aid. But we are not doing it simply because of a surplus situation, but because there is a need thereof. We should never in our aid policy get in the way of the development of the agricultural policies of those countries themselves.

All the problems facing us, as I have said many times before, cannot be solved by price policy alone, and to attempt to do so will merely create fresh difficulties. We accept that measures must be taken to help farming in poor agricultural regions and to close the agricultural income gap. We consider it essential to push ahead with our structural policy reforms and this is the third main theme of my proposals. We put forward therefore a framework for the modernization of existing policy with the aim of adapting it to take account of changing economic conditions. The changes follow three main ideas. We want to make a stronger link with market conditions and we propose to limit the investment of public money in the milk sector, in pig production and in glass houses and encourage the production of alternative crops like sheepmeat and beef.

Here I should like to say to the draftsman of the opinion of the Committee on the Environment, Public Health and Consumer Protection, that we are also including measures against national aids. The point he has made is therefore totally in accordance with the Commission's proposals and acceptable to me.

Furthermore, we want to establish a stronger link with the needs of certain areas, and we propose to concentrate aid in less developed regions. We want to establish a stronger link with the position of individual farmers and propose to help especially those who are most needy and have not been able to receive aid in the past.

There are moments in the debate on prices and agricultural affairs when issues concerned with less developed regions and poorer farmers are, I feel, pushed too far into the background. It is as if people think they are only of secondary importance. Let me emphasize once again that this is not the case. Our structural policy is at a turning-point which is necessary in order to create that solidarity in the common agricultural policy without which we cannot survive. Some people say that we have no strategy, but this is not true. We even have a grand design and naturally we can only achieve a part of it each year. The proposals now before you give only the framework of how we want to develop the policy. The start was made last year with the Mediterranean package and the measures for the West of Ireland. Soon we shall be sending detailed proposals to the Council—they were actually adopted by the Commission this morning. We accept that these decisions will probably take longer than those on prices and related measures.

Our aim is to give existing structural policy greater flexibility and greater strength, and the same applies to the policy in the mountain and handicapped regions. We are also proposing special schemes to help meat production in Italy, pig-processing in the United Kingdom and certain parts of France, because the pig problem is not just a matter of monetary compensatory amounts, it is a matter of efficiency. We are proposing to aid sheep production in Greenland, and also to help generally in parts of France and southern Belgium.

We are, as I said, developing a new strategy. These and last year's measures are not something proposed on an *ad hoc* basis. They are part of the shift in policy emphasis. On the one hand we are tackling structural surpluses in the market place, but in a non-punitive way, and the establishment of balance is in the interest of the farmers themselves. On the other hand we are attacking the vast discrepancies between agricultural incomes — and that is real agricultural income problem — in different regions. These are the most serious income problems we face, and their elimination must be given the highest priority.

We are making progress on our proposal for the elimination of monetary compensatory amounts, and thus returning to a truly unified agricultural market. This whole question, as I am sure you are all aware, blocked the introduction of the European Monetary System, and negotiations have been intense since the beginning of the year. Nor has Parliament been ignored in this affair. I have twice been to the Committee on Agriculture and its views have been regularly reported to me. I have taken them into account and transmitted them to the Council.

An enormous amount of progress has been made since January, and last week the Council reached the framework of an agreement. This has allowed reservations on the introduction of the European Monetary System to be withdrawn, and it came into force yesterday. The framework of the agreement covers the following points: The Council has reaffirmed its political determination to phase out existing MCAs. It has not yet agreed to a timetable, but the Commission's proposal that the phase-out should be prepared over the next four years remains on the table. We are still pressing the Council to adopt it. Of course it will be possible for Member States to make more rapid progress than the timetable lays down, if they wish to do so. When the arrangement is fully settled it will only apply to countries that are fully participating in the EMS. Therefore as things now stand the United Kingdom will be excluded from the proposal and its MCAs will continue to be eliminated on an *ad hoc* basis. When it fully enters the European Monetary System, however, it will begin a phasing out process analogous to that now proposed for the Member States participating in the EMS.

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The next point covered by the agreement related to the ways of calculating the MCAs, for example those for pigmeat. Here the Council will consider proposals on the basis of a report being drawn up by the Commission. It has been agreed to take account in the agreement — which will be submitted to the Committee on Agriculture — on this year's price package. But let me say that the green rate adaptations already agreed will completely remove the pigmeat MCAs from France and Ireland, and that has to be taken into account in the proposals we are going to make, which therefore to a large extent reveal the so-called bacon coefficients in the pigmeat sector.

The agreement also included the adoption of a 1 % franchise on new, positive MCAs, something which would go a long way towards correcting the effects of overcompensation for monetary revaluation. That is contained in the present MCA system. There is also agreement on a series of green-rate changes for countries with negative MCAs which will come into force when the Council agrees on the system for phasing out new MCAs. The green rate devaluations so far agreed to are of the order of 5 % for Italy, for the United Kingdom and for French pigmeat; for the rest of French agriculture the devaluation is 3.6 % and for Ireland 0.5 %, because the Irish pound has gone up considerably and therefore the room for manoeuvre is very limited. Undoubtedly pressures for further devaluations will be felt in the price-fixing, and we must take into account our desire, which is shared by the heads of government to return to unity of pricing as quickly as possible.

Mr Scott-Hopkins asked me about the chances that these two things, the agreement on new MCAs, etc., and the *ad hoc* devaluation of green currencies, will in the face of British reservations be resolved by the end of March. The British position was that the Commission's proposals in these two regards were on the whole accepted, but they did not want the text in regard to dealing with new MCAs in particular and certain other products, which were not in dispute, to be used as a lever for increasing prices in units of account with the sole purpose of dismantling monetary compensatory amounts. Why not? Because if you increase prices in units of account to dismantle positive monetary compensatory amounts, you are at the same time increasing negative monetary compensatory amounts by exactly the same amount and you are making no progress towards unified prices at all. You are only changing the composition of positive and negative. That may have its significance, but one must be quite clear in one's mind that that is all one is doing, and that one is not advancing towards a unified pricing system.

The Commission has taken the view that these proposals should not lead to any automatic or semi-automatic increase in prices in units of account to

admit the dismantling of monetary compensatory amounts: the dismantling of monetary compensatory amounts of a positive nature must come out of price increases in units of account which are otherwise objectively justified, taking into account as well market consideration, income and other relevant considerations. What one therefore needs to do is to find a textual expression which is not so divergent as to provoke prolonged discussion in the Council. But it is linked up with a discussion of prices for this year, and, to be quite candid, I believe that if the Council were to follow the Commission's proposals, all these difficulties in the monetary compensatory amounts field would disappear. If the Council, with the support of Parliament — which I hope will not happen — moves in the direction of price increases in units of account, nothing will be solved in regard to monetary compensatory amounts and we shall find ourselves at the end of this month in an extremely difficult political situation. You must take this seriously into account when you finally cast your vote.

Otherwise, the agreements partly reached represent a major breakthrough, a step forward, when we compare then with the bleak situation in which we found ourselves in the months of January, with the EMS blocked and with agricultural discussions in jeopardy. We are moving, and if we stay on the right track when I am sure that we can solve all of the problems in the reasonably near future. But it is no good believing that one can solve to one's satisfaction certain parts of the problem and not take into account brutal realities on other counts. If everybody wants to have his pet problem solved and not give in on anything which is necessary for solving the problems of others or overall problems, then of course we shall end up not only with Mr Scott-Hopkins's horse-trading, but with trading in lame horses unusable for any practical purposes.

I may, for many of you, have been too dramatic in presenting all this, and I apologize once again, but we are not really here to be pleasant: we are here as public servants to face the realities as they are, and to take the decisions which these realities impose upon us. It never was an easy task to be a politician in an economy which was not subject to growth as we had it in the sixties. With the type of growth we have now and can expect for years to come, the unpleasant task of deciding on priorities is the lot of all politicians, and we have to accept that lot, however unpopular, however difficult, it may be. Market conditions demand that prices stand still. The incomes of farmers are in a good enough position for this standstill to take place without causing serious hardship to producers. In the milk sector, we must take extra measures: the variable element of the co-responsibility levy is vital, and so are the measures to help consumption. An immediate change in green rates will do no more than compensate for inflation-

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rate differentials and ensure equality of sacrifice. The other agromonetary proposal must be seen in relation to the benefits coming from a fully operational EMS, and we must take new decisions in the field of structural policy.

Ladies and gentlemen, your deliberations this year will be watched more closely than usual by a public that expects action, by a public that will soon be called upon to express a vote of confidence in the future effectiveness of a directly-elected Parliament — in which, as you will understand, I strongly believe. You must bear that in mind in your deliberations today. If you do not, the judgment of that public will be harsh. You have, I am quite sure, already sensed the way the wind is blowing in public debate in Europe. Take heed of the direction of that wind before it turns into a gale which you cannot control.

**President.** — I call Mr Caillavet.

**Mr Caillavet, chairman of the Committee on Agriculture.** — (F) As chairman of the Committee on Agriculture, I normally make it a rule not to take part in the debates, but I really must express my amazement at what we have just heard from the distinguished Member of the Commission, Mr Gundelach. The word he used bordered on insolence, even if he later withdrew his comments.

Leaving this aside though, Mr Gundelach, you have us to understand at the beginning of your speech on Mr Liogier's report — if the interpreting was accurate — that what we were really talking about was the report presented by COPA. I cannot accept that point. It is true that we listened to the arguments presented by COPA, but we also listened to the representatives of the European Bureau of Consumers' Unions, we listened to what you yourself had to say, and we took note of your replies passed on to us by your representatives, to whom our thanks are due. No one was under any kind of obligation. I presided over a genuinely democratic process, in which everyone had the chance to table amendments, vote on them or reject them, and Mr Liogier was speaking for a majority in the committee. I would therefore appeal, Mr Gundelach, to your sense of courtesy and fair play in respecting the position of the speakers in this debate, who — let me assure you — deserve our full respect.

(Applause)

**President.** — I call Mr Liogier.

**Mr Liogier, rapporteur.** — (F) After calling the Members of this House circus clowns, Mr Gundelach, you stepped back into the role of ringmaster. But let us leave the matter there.

I shall be coming back to the question of farmers' incomes this evening in reply to the Members who raise this question. You spoke about the enormous structural surplus that I commented on when I

presented my report — which incidentally, you do not appear to have read very attentively.

You completed your introductory list of structural surpluses with a reference to apples. Now, there is no reference to apples in the committee's report on agricultural prices, but you evidently thought they gave excellent support to the point you were making on surpluses. As you took the liberty of departing from the subject of agricultural prices to talk about apples, I shall do likewise — indeed, it is my duty to do so in reply to the point you made.

You referred to the enormous surplus of apples which the Community has at present, and you stressed the fact that we should have to withdraw them from the market on a large scale and dispose of them to social institutions and the like. If my memory serves me correctly, there was a time, only a matter of two or three years ago, when the price of apples suddenly doubled on the Community market. But, despite this sudden price rise apples from the rest of the world were not allowed into the Community because they were still dearer than our own, even after the scarcity of Community apples had sent the price soaring.

The Commission had to put forward an urgent proposal to remove the customs duties on imported apples — which amounted, I think, to no more than 13 % — and the proposal met with the approval of this House, despite my personal opposition to it. All this meant — although the Commission never said so in so many words — was that the world market price for apples was almost twice as high as our own, so that consumers within the Community were benefiting.

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

**Mr Hughes.** — Mr President, I hope the debate for the remainder of the day will not be bad tempered. I see no necessity for debating this matter in an ill-tempered way, but I feel that we should debate it with a degree of solemnity which I think is essential in view of the seriousness of the situation.

I would open by quoting, not from some British Socialist manifesto, but from the communiqué issued at the end of yesterday's meeting of Community leaders in Paris, where they noted that growing imbalances on agricultural markets had led to such an increase in expenditure on agricultural support. As a result

a crisis policy suited to the situation and a search for measures adapted to each type of production are needed to correct the imbalances which have become apparent on certain markets and to avoid the build up of surpluses.

## Gundelach

That is not, as I say, the position of a particular political group. During many of the discussions in the Committee on Agriculture, it appeared as though at times we believed that by increasing tariff protection on the one hand, by renegeing on Treaty obligations on the other, we could somehow or other both increase prices to the producers and lower the level of those surpluses. I and my colleagues in the Socialist Group do not believe that to be a reality that we can place any confidence in. At the first meeting at which I was present in this Parliament to discuss agricultural prices in 1976, we were dealing with a total of 5 570 million u.a. By this year, that sum has risen to 9 700 million u.a. Given the budgetary limitations of own-resources, we are fast approaching the time when the freedom of action of this Community to do anything will have been precluded by the level of expenditure that agriculture is taking for itself, and over which this House has no control. At the rate of increase which we have seen in the last three or four years, and with the relative stagnation of the economies as a whole, the own-resources of this Community will before too long be insufficient even to maintain existing agricultural policies and existing commitments under those policies. Therefore it is impracticable for this House to contemplate yet further increases in that expenditure in favour of products for which there is but a scant market; remember that 90-odd per cent of the expenditure for agriculture goes on products and their support that are in surplus. So at budgetary level, this Parliament must be very careful how far, in the long term, we commit the resources of the Community to the single sector of agriculture. There will of course be an opportunity in a debate on another report either later today or tomorrow to go into this in more detail.

I suppose it could be argued that one of our predecessors in an attempt to unify Europe was the Holy Roman Empire, of which it was said, with much justification, that it was neither, Holy, Roman nor an Empire. I think much the same is getting very nearly true of the common agricultural policy. It is neither common, nor agricultural nor, frequently, is it even a policy. It is not common because in part, as we know, of currency divergencies, MCA's and so forth. That we have a common price available to farmers throughout the Community is palpably a total pretence. It is not common in terms of the costs which producers in the various Member States are asked to bear. As Mr Gundelach has indicated, interest rates vary enormously between Member States in the Community; the cost of renting and buying land varies enormously within the Community. Even within Member States there is a lack of commonness about the CAP. In the years that it has been in operation, the prosperity — if I may refer to the country of our rapporteur — of the farmers of the Île de France has increased, while relatively Limousin and other less favoured areas have become more depressed. The divergences in income within the same currency areas have grown rather than diminished. This therefore represents a major

failure of the common agricultural policy to deal even with the needs of farmers in the Community.

When one turns to much of the expenditure, many of those who defend the CAP argue that it is not really an agricultural policy at all, it is a social policy pretending to be an agricultural one. That would be truer if the figures on intervention buying by the Community indicated that they were buying from those who needed financial support, i.e. if the expenditure by the Community was progressive in that it gave more money to the poorer and more needy farmers and less to those who could manage without it. The whole history of the failure of this Community to come to terms with Mediterranean problems until last year is a standing demonstration that at that level the present agricultural policy, even when it masquerades as a social policy, has not achieved its objectives.

It clearly has also failed to provide — at least to their belief — the consumers in the Community with agricultural products at price they believe to be fair. We may have learned discussions in the Committee on Agriculture as to whether they are fair or not, but it is difficult to persuade ordinary people that one should be paying some £300 a tonne for white sugar inside the Community when, particularly in my own country, they can hardly be convinced that sugar-beet farmers are the most poverty-stricken. Sugar is available on the world market at £95 to £100 a tonne, and it is being dumped on the world market with taxpayer's support from this Community at that lower price. It is hard for the ordinary consumer to believe that the needs of the sugar-beet farmers are the highest priority in calculating how one should spend money — and to that I shall return in a moment.

And then there are difficulties as to whether it is a policy. Because frequently, in agriculture, you have two sets of policies going in totally different directions. Frequently national measures are taken which totally contradict the aims and objectives of Community policy. The Community may wish to limit or reduce production in one area, but for national reasons, governments will introduce and maintain policies going in precisely the opposite direction. Many now believe that the social element of the agricultural policy may be better dealt with at national than at Community level.

That is certainly my own private view but not, I must add, that of my group as a whole — as yet.

Let me now turn to the problems of our position in the world at large. In the same way as you cannot treat the agricultural proposals without reference to the Community budget, nor can you treat them without reference to our position as a world trading Community. We are the largest producer of dairy products in the whole world. We have increasing difficulties in

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finding markets for our surplus. We cannot even easily continue to meet our Treaty obligations, and if we are to believe what they say, some of our colleagues in this House would wish to renege on those Treaty obligations. Much of this is based on imports — in the Liogier report this is frequently mentioned — and in his speech, Mr Liogier argued that we run the risk of dependence because we are buying in soya, or manioc, or maize or whatever. Let us take soya, as we all know its position in GATT is such that there would be great difficulty in putting a tax on it. It would certainly not aid Anglo-American trade relations — if we want to go back to the years of trade war with the United States, then suggesting that we put a tax on soya is about the quickest way one can think of doing it, other than increasing the tariff level on imported maize.

When we turn to manioc — why do Community farmers import manioc? One of the reasons, might I suggest, is that it doesn't have to have its cost insurance and cif price doubled by Community levies. If you have doubled the import price of maize, feed-barley and feed-common wheat by import levies, then you inevitably make manioc more attractive, because it is not subject to a tariff and is exempted under GATT. I ask those who want to pursue a tariff against imports of manioc to consider what contribution that would have to political stability in South-East Asia. If you really believe that saying to the Thailand Government: 'Stop sending us your manioc, because we are going to put a tax on it' will actually endear them to the Western World, I think you may be mistaken. Secondly, why should the farmers of this Community, as well as the consumers, be denied access to a perfectly good source of food for their animals? Because it damages the interests, or appears possibly to damage the interests, of some cereal farmers? There are far better ways of helping cereal farmers than imposing tariffs on imports of manioc, whatever damage it might do to the pig industry en route.

When we come to the position on butter, we have the Liogier suggestion that one of the solutions to the butter problem is to tax margarine. We get continual reference to artificial farming and artificial products. The bulk of the content of margarine is as agricultural in base as that of butter. The process may be marginally more expensive, but you are still using vegetable oils, and no one is going to tell me that olive oil is less agricultural than butter. Yet if you turn olive oil and other oils into margarine, they suddenly become objectionable industrial products, and should therefore be taxed. This is a position neither I nor any part of my group can sustain.

In the Commissioner's proposals and the further elucidation he has given of them this morning, my group would wish to welcome the improvement in structural

policy. We have consistently believed and argued in this House that it is the imbalance between the Guarantee Section and the structural Guidance Section that is one of the greater sins of common agricultural expenditure. Until we can make the opportunity of economic self-sufficiency available to those farmers who for reasons beyond their control have not such a chance, so long will the pressure to maintain prices unnecessarily high have at least the outer garments of respectability. It is an unrespectable policy in any case, but as long as you do not have the structural expenditure, it is given a spurious respectability. We do not believe, even with these changes, that the rate of shift of activity from the Guarantee Section into the Guidance Section is fast enough. I think it would be totally fair to say that the vast majority of the Socialist Group backs a total freeze across the board for this year.

*(Applause and cries of 'Hear! hear!')*

It is out of deference to the sensibilities of some of our own members that the Socialist Group amendment indicates that, while we feel that the unit-of-account price-freeze recommended by the Commission is justified in view of the present structural surpluses on the market for cereals, sugar and dairy products, we believe there is scope for a modest increase in other sectors in order to encourage farmers into those areas where the Community is not self-sufficient, and away from those where the Community is in surplus. That is the key position of the Socialist Group. As I say, it is a second-best for many of us, as opposed to a total freeze on everything. But that is the agreed position of the group.

I turn finally, Mr President, to what I have already indicated: the area where the Socialist Group moves from a criticism of detail to a criticism imbued with deep moral resentment — and that is sugar. We know as a House that many of the poorest countries in the world are monoculture sugar economies that have no real possibility of converting into anything else. In defence of the present sugar regime we have put at us: 'But look what happened in '73, '74, '75 when there was a world sugar shortage.' I would turn to those who say that and ask them to analyse why there was that world sugar shortage, and to see how the export refund system stimulated sugar dumping by this Community on the world market in the late '60s. That so undermined the economic viability of the cane producers that they went out of cane production, partly causing the collapse of production in the mid and early '70s. We as a Community severally as well as collectively, are embarking on precisely that road again; we will find our justification when we have driven the cane producers to destitution. That is a long-term policy which I cannot and will not accept.

*(Applause)*

## Hughes

No Member of this House can, I hope, stand in front of his shaving mirror — if he is a male — and anticipate with pleasure the damage that this Community is doing by maintaining the B-quota on sugar at 120 %. That is not a morally justifiable position in this world.

It is frequently argued in other parts of the House that the Socialist Group is only interested in the interest of the consumer. I have so far hardly mentioned the consumer, because the burden of our support for the Commission's proposals is not that they help consumer interests — though *en passant*, they probably do — but that at this point in time they are an essential which this House cannot run away from. We have neither the budgetary equipment to fund in perpetuity these mounting structural surpluses, and it is in the best interests of the farmers themselves that they get rid of them. It is also in the interests of farmers that they themselves accept this freeze as the precursor of a reformed common agricultural policy which will give support where it is needed and not give that support all too frequently to those who need it least.

(Applause)

**President.** — I call Mr Früh to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Früh.** — (D) Mr President, ladies and gentlemen, I should like to start by thanking the rapporteur, Mr Liogier, who, despite the short time available, has managed to come up with a document which we feel accurately reflects the principles behind the Common Agricultural Policy, and which my group can very largely support.

As the Chairman of the Committee on Agriculture has already repudiated Mr Gundelach's outburst about circus clowns — and I think we can take it as having been made in the heat of the moment — I do not think I need comment any further on it. I would merely ask our President to censure the remark, which is what would happen in a similar case in the Bundestag in Bonn. Perhaps it would be good if this custom were to be introduced into this House.

(Calls of 'Hear! hear!')

We would not deny that the Commission has also put in a great deal of work this year on this subject. I would accept that the reason why these price proposals were submitted belatedly was not because the Commission was being dilatory, but because it was at great pains to reach an agreement before the subject was debated in this House. We all know that abortive attempts were made as late as during the Green Week in Berlin to reach some kind of agreement.

In the short time remaining, I should like to explain where my group stands on three points in particular. One fundamental aspect of this report is the proposed price freeze. A great deal has already been said here on this subject, and the previous speaker referred to a freeze on prices as the only sensible and correct solution. Perhaps I may be permitted to ask, though, whether the Community's agricultural sector exists in a world of its own, and whether it turns out its produce with no reference whatsoever to other sectors of the economy? Is it not true that, the more up-to-date agricultural production becomes the closer its links become with the economy as a whole? Is agriculture not closely linked to wages and the cost of supplies, energy and all those things that are not subject to a price freeze? What we are talking about here are prices for the coming marketing year. But what is the overall situation as regards costs? Things are certainly not looking any too rosy, if we take developments in the energy or wages sector as an example.

Of course, you may say that what counts here is the wages factor — that is something quite different. But, as far as the farmer is concerned, wages represent the price paid for his work, and when Mr Hughes says that the Common Agricultural Policy is neither common, nor agricultural, nor even a policy, because the situation facing agriculture is so different from country to country, I can only say that we must also accept the fact that wage levels vary greatly from country to country. In other words, his line of argument does not hold water; we must be flexible in our attitudes.

I do not think it should be the aim of the Common Agricultural Policy to iron out all the inequalities which exist throughout the Community, no more than we can expect a common economic policy to create equal wages and equal social conditions in all the nine countries. That may well be the end product of a very long economic process involving the whole Community, but it cannot be brought about at short notice by the stroke of an administrative pen. I would therefore ask you to view developments in the agricultural sector in terms of general price and wages trends. What Mr Gundelach is trying to introduce here is thus an extremely far-reaching measure, which is intended to be operative for several years to come. At least this is what a number of countries — or at least one country in particular — are calling for — a price freeze lasting several years. I suppose the idea is to keep prices frozen for as long as the weak-currency countries are able to decide on their own price rises by progressively devaluing their green currencies. As I say, Mr Hughes, I suppose that is your aim, and let me be quite honest and say that sometimes I envy your situation. But is it right for those countries — and there are several of them — which have made great sacrifices to bring about stability over recent years to

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be punished for their efforts? Is this to be their reward? If so, I can have no confidence any more in the Common Agricultural Policy, which is bound to lead to restrictive practices and conflict situations, as we have heard over the last few days.

Of course we fully realize that market imbalances are a very great problem, especially in the milk sector. No one is denying this, and we too are worried about the situation. But you know perfectly well, Mr Gundelach, that the real problem lies in the fact that it is not the farmlands of Europe which are responsible for the overproduction of milk. Let me explain the situation. European agriculture has more or less taken over farmlands throughout the world, and as prices rise within the Community, they fall in the USA, Brazil, Africa and Thailand as the value of the dollar falls against other currencies. That is the real problem, Mr Gundelach, and well you know it. We must make a start here, however difficult it may be. You said you would obtain voluntary undertakings from the countries concerned, but we have heard here today that if such a voluntary undertaking is obtained from Thailand, then Africa or some other country will probably take its place.

Mr Hughes, I have the greatest respect for your views, but I must take issue with your question as to why Community farmers should be denied access to produce from those countries for their animals. The rapporteur thought we had a highly efficient processing industry and that what we had achieved was thus an industrialized agriculture which was not dependent on the amount of land available. This is all very well, but we surely do not want our food industry to be as open to blackmail as is our energy industry. If we continue to play down the value of our stock of agricultural land, and simply grab the best and cheapest produce going, and if we cut off the flow of dairy products back to those countries which could absorb them from the point of view of purchasing power and standard of living, it is no wonder we are now facing such a difficult situation.

A price freeze means stagnation, co-responsibility levies and deductions, all of which we agree to, but at the same time it means that we must persevere with the measures we have already introduced, such as non-marketing premiums, consumption-boosting measures, food aid and resale — you yourself showed, Mr Gundelach, how stocks have fallen, although the situation is still anything but satisfactory — and we must try to base production, and particularly processing, more securely on the land principle. That is all I wanted to say on this point. Mr Tolman will be going into the matter in more detail later on.

We have called for as moderate a price rise as possible, based on the lowest rate of inflation in the Community. We all realize that the cause of increased

expenditure is often not so much price increases as the kind of good weather we had last year. In other words, the determining factor is an unusually good harvest. The main thing is to ensure that the problems facing the Common Agricultural Policy are also taken into account. I cannot go into that point in any more detail now.

Moving on briefly to another point, I may say that we gave our approval to this price increase, which was set out clearly in the report — and, indeed, put a definite figure to it — because we realize that any attempt to phase out monetary compensatory amounts — as the Commission intends to do and as the Council has promised to do again and again — without adversely affecting farmers' incomes in national currencies will be doomed to failure unless the reduction in positive MCAs is balanced out by equivalent price increases. We believe that phasing out MCAs would remove the obstacle to the introduction of the European Monetary System and thus increase stability in all our countries, so that exchange rates could be fixed and defended by mutual currency support measures, with the result that we could gradually get away from MCAs and count on our new-found stability to prevent the creation of any new ones. That is the real contribution we want to make to ensure that EMS is a success.

Thirdly, we are 100 % in favour of the Commission's proposal for a change of emphasis in structural policy. Speaking from experience in my own country, Mr Hughes, I think we should beware of thinking that the surpluses will simply disappear and all our problems will be over if we concentrate on structural measures rather than paying guaranteed prices for agricultural products. Our experience in Germany has been that structural expenditure designed to increase the productivity of farms has resulted in bigger rather than smaller surpluses. Let us be quite honest and objective about this. Especially once the Community is enlarged, we should stop thinking that we can improve the situation in agriculture — and particularly in the backward areas — by structural measures. The only way we shall improve things is — and here I am echoing much of what Mr Scott-Hopkins said — by relying on regional policy to create additional jobs away from the land, and not by forcing farmers to stabilize or increase their incomes simply by increasing production. What we need is a mixed economy situation based on a combination — wherever — possible of structural policy, regional policy, social policy and the creation of jobs outside agriculture to improve the income situation of farms, particularly the smaller and more backward ones.

In the time available, I have only been able to refer to three aspects of the problem. We are opposed to a freeze on agricultural prices, particularly when the freeze is supposed to be operative for a number of years. We are against a price freeze because costs are

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rising more and more quickly, and because measures like the co-responsibility levy and deductions — which we approve of — amount not only to a price freeze, but to a fall in prices, and because this fall in prices will be exacerbated for the positive MCA countries by the phasing out of monetary compensatory amounts, unless the loss is balanced out by a commensurate price rise. You may be sure that, without such a rise, the elimination of MCAs will be an intolerable burden. No one could call that an example of Community spirit in action. It is a scheme which suits some countries some of the time and other countries other times. What we need is something which is palpably fair to all, and I hope you will agree with me in this. If what Mr Scott-Hopkins said about Denmark — namely, national subsidies — is not to come about — and who, after all, wants to see an over-strained Common Agricultural Policy seek refuge in national subsidies? — this House should support our proposal for a moderate and reasonable price increase. We should support this proposal to avoid jeopardizing the Common Agricultural Policy, which is the very basis of European unification. As this Parliament bows out, we should pass on to the next Parliament a constructive guideline based on the fundamental principles of the existing Common Agricultural Policy.

**President.** — I call Mr Dewulf on a point of order.

**Mr Dewulf.** — *(NL)* Mr President, in accordance with the last paragraph of Rule 31 (2) of the Rules of Procedure, I should like to make a personal statement. Mr Gundelach spoke to all the Members of the Committee on Budgets and all speakers — and I also am on today's list of speakers — in terms which are parliamentarily unacceptable. If a member of the executive were to use such expressions in a national parliament, he would be shown the door immediately. I cannot ask you to call Mr Gundelach to order in accordance with Rule 10, but I would ask you on the basis of Rule 8 to follow up this incident in a suitable manner, by entering in the minutes of this sitting the incident which has taken place this morning. Hundreds of people witnessed it, and I do not think that the simple apology which Mr Gundelach made in passing during his speech is enough. Never in all the twenty-five years of my parliamentary career, Mr Gundelach, have I heard a Member of Parliament being addressed in such terms as you have used here today.

**President.** — Mr Dewulf has requested that the incident which occurred this morning be recorded in the minutes of proceedings. He has also requested the President, in accordance with Rule 8 of the Rules of Procedure, to take appropriate measures in connection with this incident. I propose, now that the comments from various quarters have been noted, that consideration should be given to what action can be taken in answer to this request.

Mr. Hoffmann, do you agree with this proposal or are you against it?

**Mr Hoffmann.** — *(D)* Mr President, I am against it. It is my view that we ought to accept the apology which Mr Gundelach repeated two or three times. I fail to see why we have to start sparring over another issue. Agricultural prices are enough to be getting on with.

**President.** — Does anyone wish to speak in favour of this proposal.

Since no one wishes to speak, I put the proposal to the vote.

As the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

The proposal is adopted.

The proceedings will now be suspended until 3 p.m.

The House will rise.

*(The sitting was suspended at 1.05 p.m. and resumed at 3.05 p.m.)*

## IN THE CHAIR : MR COLOMBO

## President

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

## 9. Question Time

**President.** — The next item is the second part of Question Time (Doc. 1/79). We continue with the questions addressed to the Commission.

I call Question No 8, by Mr Edwards, for whom Sir Geoffrey de Freitas is deputizing:

What steps does the Commission intend to take to strengthen the Community's relations with India?

**Mr Jenkins, President of the Commission.** — In recent years there has been a developing relationship between India and the Community, and we look forward to a further strengthening of that relationship. Our trade promotion programme for 1979 which includes plans for the opening of a comprehensive Indian export centre in Brussels, should give a renewed impetus to Indian export performance, which, after substantial improvement in recent years, has fallen back slightly in 1978. As the honourable Member will know, the Community concluded a commercial cooperation agreement with India in 1973, and activities under the Joint Commission are being pursued with satisfactory results.



## Jenkins

The Commission has, however, recently begun exploratory talks with India on the possible content of a new agreement which would facilitate wider economic cooperation and increased contacts in such fields as science and technology. The Commission hopes to submit to the Council shortly a request for authority to negotiate an agreement along the lines suggested.

**Sir Geoffrey de Freitas.** — Will the Commission look again at the possibility of using New Delhi as a headquarters for southern Asia? Do not language, geography and India's democratic institutions make it the very obvious site for a representational office of the Community?

**Mr Jenkins.** — The Commission would certainly like to see a Community delegation in New Delhi and will certainly consider this in the general context of its programme for developing its representation overseas. But I do not think there can be any question of going back on the decision to open the office in Bangkok, which was explained to the Parliament by Vice-President Haferkamp. Although I would very much like to see an office in New Delhi, I think that India is itself so large and embracing that an office there would and should concentrate upon the problems of the subcontinent rather than upon the general ASEAN questions which the Bangkok office is designed to serve. It is really a question of budgetary resources, and I hope that this House can continue to offer its assistance in support of the Commission's efforts to develop its external representation further. In principle, I would very much like to see an office in New Delhi but not at this stage in substitution for Bangkok.

**Mrs Dunwoody.** — With respect to the President, would he not accept, that, since India is excluded specifically from the ACP relationships with the Community, and since there has been a very specific decision that the Asian office should be somewhere other than in India, the Indians might have the right to believe that the Community is not in the slightest interested in what happens to them, and that the things he has just offered are very pale substitutes for a genuine trade agreement and an effort on our part to assist the Indians — who are specifically excluded?

**Mr Jenkins.** — I don't think that the honourable lady's suppositions are correct, and I don't think they are felt by the Indians either. There is no question of excluding India from an office because she is not part of the ACP. The ASEAN countries are not part of the ACP. Outside the ACP countries India is — as is perhaps natural and right — the largest recipient of Community aid. Our relations with India are good and developing with a very big increase in Indian

exports to the Community over a four-year period up to this year. There has been a slight flattening out, as I say, but I hope the progress can be renewed. Certainly there is no indication to me that India feels excluded or discriminated against. Mr Morarji Desai paid a visit to the Commission which was a very welcome and helpful one, and I myself would hope to pay a visit to India in the not too distant future.

**Mr Corrie.** — Would the Commissioner agree that one way that we could give the greatest benefit to India would be to send out technical expertise from Europe, and is there any hope that there might be a budget appropriation for this sort of help?

**Mr Jenkins.** — I agree that this might well be a useful field of cooperation, and I hope that the new agreement of broader scope which we are discussing would certainly result in increased contacts in the science and technology field and possibly assistance of the sort that the honourable Member has in mind.

**President.** — I call question No 9 by Mr De Clercq, for whom Mr Croze is deputizing:

The first conference on the International Nuclear Fuel cycle evaluation has just completed its work in Vienna. With regard to the final conclusion, which will be presented in 1980, there seem to be two different concepts, one political and the other technical.

Could the Commission, which attended the conference, indicate the position it adopted in its capacity as Community Institution and forward a written communication to the European Parliament on this matter?

**Mr Brunner, Member of the Commission.** — (D) The conference on the fuel cycle was a conference of technical experts, not a meeting for political negotiations. The Commission delegation took part in the eight working parties. The positions it adopted were based on the three documents on reprocessing, the document on nuclear waste and the proposal regarding fast breeders.

The Commission, on the one hand, is endeavouring to keep the technical options open and, on the other hand, the Commission delegation wishes to make a contribution towards the non-proliferation of nuclear weapons.

**President.** — I call Question No 10 by Mr Stetter:

The French law of 17 March 1978 introduced an approval procedure for certain types of doors, according to which before they can be marketed, these doors must receive the approval of a committee whose chairman is a French door manufacturer, and which is told in advance whether a particular door is French or foreign.

Does the Commission feel that this procedure is in conformity with Articles 30 and 36 of the EEC Treaty and if not, what steps does it intend to take to stop it?

**Mr Brunner, Member of the Commission.** — (D) The Commission has approached the French Government on this matter. The French Government replied that there was no question of discrimination since these requirements applied to all door manufacturers regardless of whether they were French or foreign. The Commission is currently examining this reply and will have to decide in due course whether proceedings in accordance with Article 30 *et seq.* of the Treaty of Rome are called for.

**Mr Stetter.** — (DK) Is the Commissioner aware that this question is based on a specific matter namely the fact that a Danish firm known as Jutlandia has for many years been fighting the French import ban on doors, but unfortunately without success so far? Is the Commission aware that this Danish firm has spent a lot of money on trying to gain the approval of the French authorities for its high-quality doors? I am naturally prepared to provide the Commission with the evidence at my disposal and should like to ask in the light of what I have just said, whether the Commissioner will press this matter so that a positive outcome may be achieved?

**Mr Brunner.** — (D) The Commission has informed the Danish firm which made this complaint of the position adopted by the French Government. It is therefore now up to the Danish firm to adopt a position so that the Commission can, if necessary, take further action.

**Mr Hans-Werner Müller.** — (D) Is the Commission aware that a similar approval procedure has been introduced for various other products, particularly toys, which have already been thoroughly tested in their country of origin, for example Germany. If one also considers that the capacity of such test establishments in France is limited, might one not be tempted to suspect that France is trying to introduce import restrictions through the back door? Is the Commission prepared to draw the attention of the French Government to this?

**Mr Brunner.** — (D) If any hard facts come to light, the Commission will, as I said in my original answer, initiate legal proceedings.

**Mr Nyborg.** — (DK) I must point out to the Commissioner that the answer he has given to Mr Stetter's question, as to whether the Commission intends to do anything about this matter, is not wholly satisfactory. You have told us that the Commission has communicated to the Danish firm the answer given by the French Government, and that we will now have to wait and see, etc., but I should like to draw the Commission's attention to the fact that it has had all the relevant information for over a month, since I saw to it that it was put into the hands of the responsible member of the Commission.

**Mr Brunner.** — (D) It is nevertheless for the complainant, i.e. the Danish firm, to contact the Commission and inform them of the damages incurred and of their opinions on the answer given by the French Government so that the necessary steps may be taken. It is therefore up to the complainant to make the next move.

**Mr Fletcher-Cooke.** — But we are still not clear enough from the Commissioner's reply whether the facts stated in the question are true or not. First of all, is the chairman of this committee on standards a French door manufacturer himself? If he is, it seems that it is not very impartial. And secondly, if it is merely a test of standards and nothing else, what is the need to explain whether the origin is French or otherwise? Could we know whether or not the facts stated by Mr Stetter are right or wrong?

**Mr Brunner.** — (D) The parties involved are in more or less complete agreement as regards the facts. However, it does not automatically follow from the nationality of the chairman of this committee that this is a case of trade restriction referred to in Article 39 *et seq.* It will only be possible to make a full legal evaluation of the facts when the complainant, i.e. the Danish firm, has stated its views on the subject. This is how matters stand at the moment. At this stage, i.e. before the complainant has done this, the Commission cannot leave out this necessary step in the procedure and adopt a position publicly here in Parliament as this would be premature.

**Mr Normanton.** — But would the Commission not undertake that, upon verification of the facts and the absolute confirmation that the facts are as stated, they will take action? And is it not appropriate, as I think, to make this kind of commitment at this point in time?

**Mr Brunner.** — (D) As I said in my original answer, if it should transpire that this is a case of an infringement of Article 30 *et seq.*, the Commission will initiate legal proceedings. Thus my answer to the honourable Member's question is 'yes'.

**Mr Flämig.** — (D) Is this case of the doors, in which technical requirements are operating as a trade restriction, an exception, or has there not been a whole series of similar complaints? And might I ask one more supplementary question? Am I right in believing — or have I understood you correctly — that the Commission can take action on its own initiative when it becomes aware of infringements of this kind and does not always have to wait for the complainant to make the first move?

**Mr Brunner.** — (D) The Commission can only take action if a state of affairs of this kind comes to its knowledge — which is usually as a result of a complaint. The Commission will take any necessary steps if it becomes apparent from the position adopted by the complainant that this is a definite case of infringement of Article 30 *et seq.* This is of course not an exception — it is just one example of many similar cases which we have to deal with.

**President.** — I call Question No 11, by Mr Yeats :

In the course of his reply to my oral question without debate (Doc. 529/78) on 15 January 1979, Mr Richard Burke on behalf of the Commission, referred to Article 45 of Parliament's Rules of Procedure and said: 'We have not at any stage as a Commission formally engaged to be able on all occasions to meet the requirements of that particular rule.'

In view of the fact that, ever since the setting up of this Parliament 20 years ago, the period of one month for the answering of written questions has been an accepted part of our Rules of Procedure, without any objection from the Commission, will the Commission now accept that there is indeed an obligation upon them to provide such replies in all normal cases within one month?

**Mr Jenkins, President of the Commission.** — I do not believe that the formal position is in dispute. The Commission has always accepted that replies to written questions from honourable Members should be made as rapidly as possible bearing in mind the 30-day limit set by this House.

The problem is essentially a practical one. In the last three years, the number of such questions has risen from 750 in 1975 to over 1 000 in 1978 whereas the Commission has received no extra staff to deal with these matters. Moreover, the questions are of varying length and complexity. Some replies require extensive research and consultation among the services of the Commission, and in this event the honourable Member usually receives an interim reply — in my opinion, should receive an interim reply. But as Mr Burke made clear to this House in January, we are conscious of the need to improve the situation and wherever possible to meet the monthly deadline.

**Mr Yeats.** — I do not know whether the President of the Commission is aware of it, but this is almost exactly the same answer that the Commission gave to Mr Vredeling way back in 1964. However I would like to put this point to the President: is he aware of the fact that of the 1 123 written questions answered by the Commission last year, 56 were answered within the month — one question in 20? And is this not a reflection of a total lack of urgency on the side of the Commission and its staff with regard to the answering of questions? And in view of what I can only describe as an appalling situation, will he undertake to take drastic action to remedy this matter — if necessary, asking for further staff, which I have no doubt we in this Parliament would be happy to produce.

**Mr Jenkins.** — I have no doubt the Parliament would be happy to assist us in getting the staff, but the other part of the Budgetary Authority is not always quite as forthcoming as the Parliament. However, as to the figures which the honourable Member has given, I have not got them before me, but of course I accept what he says, and I agree with him that they are not satisfactory. Even if exceptionally we have to be a little longer with some complicated questions, in my view we must improve on the average very substantially indeed, and I think that if we can get the extra staff the general performance ought to be quite different. But at any rate, if the honourable Member's figures are correct, and of course I assume they are correct as he has given them — I will check them — then that is not good enough.

**Mr Mitchell.** — Could the President of the Commission give us a little more information about the internal procedures used by the Commission for answering questions from Members? Is there, for example, in each Directorate-General one or two or more individuals who have the specific task of preparing answers to questions, or is it done by a much more hazard method? My second question is: does the Commissioner responsible approve the answers to all written questions to Members of Parliament before those questions are published?

**Mr Jenkins.** — There is a special unit in the Secretariat-General which is responsible for coordinating answers to written questions, though of course, as my honourable friend will appreciate, the information has to be obtained from within the Directorates-General. I think it is probably also generally the case that in most Cabinets, certainly in my own, there is somebody specifically — not exclusively, but substantially — concerned with parliamentary questions, and I believe it is the case that the Commissioner himself always sees the answer to a written question. Certainly I, from long parliamentary experience, would be loath to let written answers go out under my own name without reading them beforehand, great though my trust is in those who prepare them.

**Lord Bethell.** — Is the President of the Commission aware that this situation will get seriously worse after this July, when the number of Members of the European Parliament is more than doubled, and the number of written questions to the Commission will undoubtedly increase? Does he accept that it is really a matter of some urgency that this special unit that he has referred to should be rearranged, and if necessary expanded, in order to meet the needs of Members of the European Parliament? Will he accept this and will he also accept another principle, that the idea of answering questions put down for written answer

**Lord Bethell**

within one month should, if possible, be extended to letters sent privately from Members of the European Parliament to Commissioners for answers, in which there is very often a delay of several months before an answer is received?

**Mr Jenkins.** — I certainly accept that the problems are inevitably going to increase when the size of the Parliament is more than doubled. As I say, with existing resources it will be difficult, but with determination we certainly ought to improve on the present performance as outlined by Mr Yeats. But I think it will be very difficult to maintain that improvement, with a great increase in the number of questions, unless we have the necessary extra staff. I believe firmly, too, that replies to letters should be sent as quickly as possible. It is always a problem, which many of us have been familiar with in the past, that, although all letters ought to be acknowledged very quickly, some take a long time to reply to in substance. But this is not an excuse for not replying to the majority of letters, which can be replied to fairly quickly in a much shorter period than is needed for the exceptional letter which requires a good deal of research.

**Mr Dalyell.** — Is this not a load of cant and humbug? Is not the truth of the matter that any member of the European Parliament who genuinely seeks the kind of information that is needed in a written question can very easily get on a telephone to a Commissioner's office in Brussels? It is the experience of many of us that when we seriously want information, we get it much more quickly than we should get it from our own governments.

*(Protest)*

Well, that is the truth of the matter, one might as well say it: if the impression goes out that the Commission are slower or more reticent about giving factual information — though I speak only in relation to the British Government — it is simply not true.

**Mr Jenkins.** — Well, I take note of what the honourable Member says. I may add that the honourable Member may telephone a good deal, and I am glad he gets satisfactory answers. He also writes a good deal of extremely interesting letters, and I believe that in general he gets fairly quick replies.

*(Laughter)*

**Lord Bruce of Donington.** — Is the Commission aware that Members of this House seem to have little difficulty in advocating increases of administrative and other personnel within the European Parliament and also within the European Council? Will the Commissioner seek to draw the attention of Council to this factor, bearing in mind that the requirements of the Commission in this respect as the executive instru-

ment of the Community are just as claimant as those of Parliament and of Council?

**Mr Jenkins.** — We would indeed greatly like to receive the full request which we make, or something near to it, and it is indeed the case as the House will be aware — and I make no dangerous comparisons. I merely state a fact — that recent increases in the staff both of Council and of Parliament have been much greater than those of the Commission.

**Mrs Ewing.** — Does the Commissioner accept that a written answer has a different degree of authority from an answer to a letter? If so, may I welcome his suggestion that in cases of difficulty, an interim answer be given, as I feel that the Commissioner might accept from me that places on the periphery of the Community do feel remote; one of the links is the possibility of a Member of this House getting a written answer with some kind of binding authority. In that event, would he again look at the possibility of trying to keep to the rule, and if unable to, certainly giving an interim answer in every case within the month?

**Mr Jenkins.** — I don't think I would accept the view that a letter should be replied to more carelessly and therefore less authoritatively — if that is the implication — than a written answer. A written answer of course is circulated through the Parliamentary procedure, and is therefore more widely disseminated; but it should not be treated as having a greater authority than a reply to a letter, which should be carefully considered. Certainly, as I indicated in my original answer, I think where it is necessary to take longer, than a month for a substantial answer, an interim answer should be given, though an interim answer by its very nature is a holding answer, and probably not a wholly satisfactory or informative one.

**Mr Shaw.** — I wonder if I could ask the President-in-Office if he would answer Mr Dalyell's question in which he queries whether all the questions raised this afternoon are cant and humbug. Does he or does he not agree with Mr Dalyell?

*(Laughter)*

**Mr Jenkins.** — I could not imagine myself taking the view that the questions asked in this House, including that of Mr Dalyell, fell within the category of cant and humbug.

*(Laughter)*

**President.** — I call Question No 12, by Mr Nyborg:

Has the Commission trained in Denmark 40 EEC information officers to run information campaigns about the EEC in connection with direct elections to the European Parliament, and if so, will it state what criteria were laid down for recruiting the information officers, and whether they are paid by the Commission?

**Mr Jenkins, President of the Commission.** — As part of its normal information work, the Commission's information office in Copenhagen, like that in the other capitals, organizes a panel of speakers to give talks about the Community. The panel at present consist of about 40 speakers who, although they receive briefing from the Commission's office, undertake speaking engagements entirely on their own responsibility. The members of the panel have been chosen for their ability to provide objective and accurate information about the Community and all of them have a background in information work or teaching. While they do not receive any regular payment, speakers on the panel may claim reasonable travel and subsistence expenses, and in some cases a small fee may also be paid.

**Mr Nyborg.** — (DK) I should like to ask whether or not one of the things the Commission had in mind when deciding upon the criteria for the selection of information officers was to try and recruit persons who were not too closely involved with the individual political parties and who had as broad a view as possible of matters relating to the direct elections? If so, I find it a little strange that two of this panel of 40 people will themselves be standing in these elections.

**Mr Jenkins.** — These are certainly not information officers: there are forty people on a panel of speakers, they are not salaried members of the Commission. They may, as I say, rather exceptionally be paid small fees, but this is a panel. It is in no way a full or even substantially a part-time job. I would certainly be against political discrimination, against any political bias in the selection of such people, but I do not think it would follow from the fact that there were two candidates for direct elections amongst the forty, that the forty were chosen on the basis of political bias. I hope that amongst the candidates for direct election the majority would be able to provide objective information about the Community and our information programme as such in Denmark. Our specific information programme for direct elections in Denmark, as elsewhere in the Community, will, of course, end at the end of March before the campaign itself gets under full way.

**Mrs Dunwoody.** — Is the Commission's set of criteria the same as they apply to all information officers, and, if so, would the President explain how, when a series of very beautiful young ladies were appointed as information officers in Britain and were asked by the press how they would get people in the North to vote in the Euro-elections, the most constructive reply appeared to be, Oh, we know that will be rather difficult?

**Mr Jenkins.** — I did not see the interview, so I do not know whether the honourable lady is giving an accurate account or not, but it does not sound to me as though it was an interview in great depth, shall we say.

(Laughter)

**Mrs Dunwoody.** — Answer the question for once!

**Mrs Squarcialupi.** — (I) Mr President, I am somewhat surprised at what Mr Jenkins has said. It is, I think, possible to obtain objective information from leaflets, but one can certainly not expect it from individuals, each of whom has his or her own opinions.

**Mr Jenkins.** — It may be the case that there is no such thing as absolute objectivity, but I nonetheless believe that it is possible to distinguish between a highly partisan and a broadly factual talk, and while certainly the Commission uses the written word, I do not think it should be precluded from using the spoken word as well.

**Mrs Dahlerup.** — (DK) Does the President of the Commission agree that it is a sensible idea to have the election campaigns of the various candidates for the European Parliament accompanied by a purely informative campaign conducted by persons who can be assumed not to have any vested interest in the outcome? Furthermore, does the Commission agree that the fact that two of the Danish apolitical information officers — who are supposed to be politically neutral — are standing for election could perhaps have somewhat unfortunate consequences on people's views regarding the extent to which the persons involved in the information campaign are indeed politically unbiased, and would not the easiest way of settling this matter be for the two persons who are standing as candidates to conduct their own electoral campaigns and leave the panel of information officers?

**Mr Jenkins.** — These are people who have been involved in an information campaign over a number of years, and it does not sound to me that two out of forty is an excessive proportion. In any event, the information campaign in Denmark and elsewhere comes to an end at the end of March. The Commission will then be available to provide factual information asked for by any candidate, whatever his political affiliation, whatever his attitude to the Community, whatever his attitude to the Commission; but it will not engage in campaigns after the end of March until direct elections are over. That is the rule which we believe to be right. But we think it has been right to have a general campaign in favour of the importance of direct elections, of voting in them, a general

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campaign in favour of information about the Community up to the end of March, and if you have a group of forty people from a panel who occasionally give lectures on the subject of the Community, it does not seem surprising to me that two out of forty well-informed intelligent people might be attracted by the prospect of being Members of this House.

**Mr Petersen.** — (UK) I should like to hear the President's views on the following. People are not robots, and there is no such thing as a totally apolitical person. It is well known that Denmark's relations with the Community in general, and the direct elections in particular, are highly controversial matters in Denmark, where people appear to be divided more or less fifty-fifty in their attitudes. How does the President visualize a panel of information officers of this kind? Should it be made up without taking account of the actual views of the population of Denmark, or, if not, would it not in practice turn out to operate as a sort of 'public relations corps' promoting the common market and its interests in connection with the direct elections. If so, could not this be regarded as unwarranted interference in the internal debate in Denmark on the question of the direct elections?

**Mr Jenkins.** — As I have explained, the information campaign in Denmark comes to an end at the end of March. That is in 17 days' time and well before the campaign starts. I should add, in slight correction to what I said earlier, that there are somewhat varying dates in the different member countries when the campaign comes to an end. In Denmark, it is the end of March: in all countries it is some considerable distance before the date of polling in direct elections.

This has been a campaign of lectures; a programme of lectures, given not by officials but people on a panel who are expected to give objective information about the Community. I said in reply to an earlier question that it is difficult always to achieve complete objectivity in any field, but if one is to be too worried about that then one is hardly going to allow anybody to expound anything: one is going to get very nervous about school-teachers, about university professors, about everybody you can think of. And after all, no one is forced to go and listen to these people.

**Mr Christensen.** — (DK) Is the President of the Commission aware that these 40 information officers in Denmark are trained for an aggressive and polemical campaign against those parties and movements in Denmark which oppose official Community policy, and does the President of the Commission think it right that persons employed in the European Community's Press and Information Office in Denmark should be actively making extremely aggressive and polemical attacks — in the form of readers' letters and articles — on those parties and movements which oppose the official Danish policy on the Community?

**Mr Jenkins.** — Well, I have no doubt that the people who take a contrary view of Danish membership of the Common Market never allow aggressiveness or polemics to enter into any part of their argument.

But if there is any excessive use of these two qualities I am certainly prepared to look into it.

Let me say — for the third time I think: these ladies and gentlemen of the panel are not officials, they are people who are on a panel and who can give occasional talks and lectures; they are not employed by, they are not officials of the Community.

**President.** — I call Question No 13, by Mr Corrie:

Will the Commission please state which spirituous beverage wholly distilled and produced in the Community contributes most to the Community's trade balance with countries outside the Community?

**Mr Gundelach, Vice-President of the Commission.** — There are two spirituous beverages produced in the Community which are of great importance to the Community's trade balance with third countries. They are Scotch whisky, which represents some 500 million units of account a year, and cognac, representing some 140 million units of account. Now if you wanted to be very precise you would deduct any costs of importing cereals which go into the production of whisky: this can run up to around 40 million units of account per year, the remainder being indigenous. As far as cognac is concerned, the whole product is composed of indigenous EEC materials.

**Mr Corrie.** — While I am delighted to hear that my national beverage comes out in front, does the Commissioner feel that Community legislation, as it stands, in any way inhibits the sales of some of these brands of whisky to countries outside the Community, and if so, what does he feel could be done about it?

**Mr Gundelach.** — I do not think that there are any serious obstacles in Community regulations which bar any further extension of the export of these two products, but there most certainly are regulations and technical obstacles to trade in some importing countries which are braking the development of the export of these commodities. In the ongoing multilateral trade negotiations we are seeking to do away with these obstacles and we seem to have a fair chance of doing so. In regard to cognac, it is a straightforward question of taxes and duties, while the wine-gallon tax system in the United States hits both commodities. We have a fair chance of making significant progress in the negotiations, provided, of course, we on our side are willing to make certain concessions in regard to certain exports from the countries in question into our markets.

**Mr Howell.** — Can Mr Gundelach give me an assurance that no deal is being done which, known as the salt-and-pepper turkey trade, would relax import controls of turkey meat, which, I believe, may be being considered in return for a relaxation of imports of Scotch whisky into America? Can I have an assurance that no such deal is being contemplated or has been made, because it will very seriously affect employment in my constituency, where we have the largest turkey producers in Europe?

**Mr Gundelach.** — I don't think I can promise Mr Howell that no consideration at all will be given to the turkey sector, because as a matter of fact, in the so-called poultry war, which involved turkeys, where the Community was deemed by international trade authorities to have annulled international commitments, there was some counter-action by some of our trading-partners which in particular hit the whiskies and the cognacs, but certain other commodities too in the agricultural field and outside the agricultural field, and we are trying to undo the damage done by this, in my view somewhat unfortunate, little trade war of so many years ago. But I can assure Mr Howell that the intention is not to decrease the protection of poultry, including turkey as such, nor is it the intention to make it easier to import what he called the salt-and-pepper parts of turkeys either. But there is the question of modernizing the coefficients in our levy system between the whole turkey — without touching its overall protection — and cuts of turkey — not the salt-and-pepper ones but fresh and refrigerated. I do not believe that this will diminish the protection of our turkey industry, but it will do away with some out-of-place technical obstacles to trade, and it is well worth considering in view of the considerable concessions we can get not only in regard to the items we have just discussed but also, for that matter, in regard to cheeses and other agricultural products and industrial products of importance to us.

**Mr Blumenfeld.** — (D) Can Mr Gundelach assure the Member States and the people of the Community that the principle of self-sufficiency, to which so much importance is attached, will not be adversely affected in the case of alcoholic drinks produced in the Community as a result of excessive exports to third countries?

**Mr Gundelach.** — It does not appear that there would be any market situation in the Community which prevented us from pushing ahead with our exports and at the same time assuring supplies to our own inhabitants.

**President.** — I call Question No 14 by Sir Geoffrey de Freitas:

What is the Commission doing to encourage the teaching in schools of the official languages of the Community?

**Mr Brunner, Member of the Commission.** — (D) The Commission sent a communication on language teaching to the Council of Ministers in June 1978. In this communication the emphasis was laid, firstly, on the exchange of experience between the persons responsible for these questions in school administrations, secondly, on the exchange of language teachers, whom we hope to enable to study in the country in which the language in question is spoken, and thirdly, on exchanges of school children between the ages of 11 and 16. Fourthly, we hope to develop our information network in such a way as to be able to make increasing use of it for the exchange of information regarding individual aspects of language teaching. We hope that the Council of Ministers will meet as soon as possible to discuss this overall programme.

**Sir Geoffrey de Freitas.** — Is the Commissioner aware that many of us realize the good work that the Commission has done in this, but feel that it could do more. Surely it can impress on the governments that language-teaching may be a problem, but it is also one of the greatest opportunities that we have in the Community.

**Mrs Kellett-Bowman.** — Has the Commission taken any steps to extend to other Member States the pilot project undertaken by the Institute of European Education at St Martin's College, Lancaster, with the help of money from the Commission, to teach parents Community languages in parallel with their children, a project which has been highly successful?

**Mr Brunner.** — (D) We are currently looking into this possibility of simultaneous teaching of adults and young people and hope to be able to make further use of it in connection with language teaching for adults.

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

I call Mr Spicer on a point of order.

**Mr Spicer.** — Mr President, I wonder if I can just raise once again, as I think we must do in this House, the kindness and the tolerance which you always show to supplementary questions from the floor. We have reached in two days Question No 14. I honestly believe that we could do better. It does begin to make those of us who put down questions with a serious intent believe that perhaps we would be better not to bother. I am certain every Member of this House would accept from you your ruling that this continual sudden thought to put up a hand and ask a supplementary should be at your discretion and not at ours: the more we can cut down on the supplementaries and retain those of the two or three people with a positive interest that is there before Question Time starts, the better the work of this House will proceed and

<sup>1</sup> See Annex.

## Spicer

the crisper Question Time will become. Sir, we have said this before many times. You, I know, believe in this, but you would have our full support if you proceeded on those lines.

*(Applause)*

**President.** — I take note of your views, Mr Spicer, provided that other Members do not reproach the President for not being sufficiently tolerant towards those who wish to put supplementary questions.

## 6. Votes

**President.** — The next item is the vote on the motions for resolutions on which the debate has closed.

I put to the vote the motion for a resolution contained in the *Shaw report (Doc. 642/78): Regulation amending the Financial Regulation of 21 December 1977*. The resolution is adopted.<sup>1</sup>

**President.** — We shall now consider the motion for a resolution contained in the *Amadei report (Doc. 670/78): Greece's accession to the Community*.

**Mr Sandri.** — *(I)* Mr President, I wish to state that the Italian Communists will vote in favour of the report and the motion for a resolution by Mr Amadei.

There would have been no need for this explanation if Mr Bertrand had not made the mistake yesterday of inferring from the attitude of our French comrades that the entire Communist Group was against this motion. He also implied that our opposition was the result of our subservience to a foreign power.

I am obliged to correct this misapprehension and also to reject this slanderous accusation, which certainly reflects more on the speaker than on us. May I remind the House that there are in Greece some important parties, like the Greek Socialist Party, which are against enlargement. Consequently, I fail to understand how anyone can resort to arguments reminiscent of the cold war, as they will not persuade anyone in Greece that enlargement is right and proper.

As for where the Italian Communists stand on this matter, I intend to send Mr Bertrand a copy of the note which the Greek Embassy sent to every member of the Italian Parliament. The note conveyed the thanks of the Greek Ambassador and of the supreme powers in Greece for the commitment of the Italian Communist Party in supporting Greece's application for membership of the Community.

Having clarified this point, I repeat that we shall be voting in favour of the Amadei report and I deplore

the fact that such arguments can be put forward in a debate which ought to be pointing out the merits of enlargement and not resurrecting attitudes which in our view are best forgotten.

*(Applause from the left)*

**President.** — I put to the vote the preamble and paragraphs 1 to 8.

The preamble and paragraphs 1 to 8 are adopted.

On paragraph 9 Mr Amadei has tabled Amendment No 1 seeking to delete the following:

and without ruling out the eventuality of applying a safeguard clause;

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put to the vote paragraph 9, thus amended.

Paragraph 9, thus amended, is adopted.

I put paragraphs 10 to 13 to the vote.

Paragraphs 10 to 13 are adopted.

I put to the vote the motion for a resolution as a whole.

The resolution is adopted.<sup>1</sup>

**President.** — I put to the vote the motion for a resolution contained in the *van Aerssen report (Doc. 644/78): Recommendation adopted on 27 October 1978 by the EEC-Turkey Joint Parliamentary Committee*.

The resolution is adopted.

## 7. Fixing of prices for certain agricultural products (resumption)

**President.** — The next item is the resumption of the debate on the report by Mr Liogier (Doc. 675/78).

I call Mr Nielsen to speak on behalf of the Liberal and Democratic Group.

**Mr Brøndlund Nielsen.** — *(DK)* Mr President, one might get the general impression from this year's Commission proposals on agricultural policy that the Community has rather changed course. I should therefore like to begin by saying what, in my view, must be the major objective of the Community food and agricultural policy, an objective which, I think, has been pursued in an excellent fashion over the years, in accordance with the extremely detailed provisions of the Treaty.

<sup>1</sup> OJ C 93 of 9. 4. 1979.

<sup>1</sup> OJ C 93 of 9. 4. 1979.



**Nielsen**

Our ideal must be to supply the people of the Community with plentiful amounts of healthy foodstuffs at reasonable prices, produced in a rational manner without the back-breaking work which agriculture can involve, and in such a way as to provide farmers with a reasonable income, even though agricultural incomes have normally been below the general level in the rest of society and have also been subject to greater fluctuations from year to year as a result of the major influence of natural conditions.

It seems to me that the Commission is unjustifiably exploiting this last point by listing figures for the increases in income over the years following the very bad years of drought in the mid 70s. We are not going to get very far by working in the case of certain countries, including my own, with percentage increases which are clearly very closely connected with the fact that the previous years, which were used as the reference were virtually years of crop failure which called for special support measures.

I should like to add that another aim of the Community's agricultural policy should be that production should take place on farms in an agricultural community with a healthy social balance. Family farms are a valuable element here, but these should not be confused with small production units where the yield is likely to be too small unless they are substantially subsidized and which are unable to take advantage of many modern technological aids. In my view, there is an almost ideal type of holding somewhere between this completely uneconomic type and the major industrialized units which to a great extent rely on feedstuffs brought in or imported. It appears that examples of this intermediate type of holding have grown up in various places in the Community, including Denmark, partly with the aid of the modernization measures which form part of the Community's agricultural policy. The basic principle of the European Economic Community is a free common market, and the agricultural and foodstuffs policy is no exception, but this market must also be a unified market. For this reason, we must be very glad that progress is now being made in dismantling the monetary compensatory amounts and the differences between the exchange rates applied in trade in foodstuffs and the normal exchange rates. However, one thing which is important if we are to establish a single market for agricultural products is to a great extent lacking. I am referring to the abolition of the many extensive State aids where, unfortunately, no progress has so far been made.

Having made these more general remarks I should like to comment on a number of the specific points contained in the Commission's proposal and the report drawn up by this Parliament's Committee on Agriculture and I should like to say how much I appreciate the considerable work done by the rapporteur, Mr Liogier, in particular, in producing this

report. It is impossible for me to go into all the points which merit discussion but I should like to draw attention to a number of things.

We in the Committee on Agriculture have proposed that the minimum prices should be increased by at least 3%. As many other speakers have already said here today, this is a very modest figure compared with the current, and likely future rates of inflation in the Community.

This proposal must be seen in the context of the general price and cost developments, but is nevertheless an absolute minimum. One should also bear in mind that this should not be regarded as a kind of pay rise for farmers since the problems in this sector result largely from increases in cost. I need only mention the current increases in energy costs, for example the substantial rise in the price of diesel oil, which is the fuel used for both tractors and combine harvesters. This 3% should also be seen as a proposal which can facilitate the dismantling of the existing monetary compensatory amounts. As regards the whole basic idea of freezing the minimum prices in the dairy sector, I should like to say that this might well turn out to be a mistake, since milk production is conditioned by extremely long-term factors in many individual holdings, and it would be very difficult to control the consequences of intervention in this sector. In the short term, we might well end up producing exactly the opposite result from the one we were aiming at. I am thinking here of the great potential production capacity of young farmers, in particular, who have very substantial costs to cover and have so little money left over for their own private use that they are not in a position to tighten their belts. At the moment, if they get a lower price, they simply have to produce more just to cover their costs.

Thus, this would lead to increased production. On the other hand, there is, in my view, a good chance that in the long run, in a few years, when agriculture really starts to feel the pinch as regards costs and cannot do anything about it, there may be a greater drop in production than we had actually wished to achieve. I therefore feel that we should bear these things very much in mind when considering the proposed price freeze.

As regards the co-responsibility levy, I should like to say that this is a strange aberration in the agricultural policy. We can accept the co-responsibility levy under certain conditions or we can simply reject it, which is what some of the people in this group are doing. I must say that it would perhaps be better not to have a co-responsibility levy at all than to have one with the conditions subject to which it was adopted by the Committee on Agriculture, which are practically self-contradictory. This is true at least in the case of the form in which the Commission has proposed it which would militate against the ideal objective for agricul-

Nielsen

ture I described a few moments ago. I also understood the Commissioner to say here this morning that it was already intended to propose this co-responsibility levy in a different form than had originally been put forward.

I could go into a number of other questions in greater detail. I should like to mention some of the points we in the Committee on Agriculture have drawn attention to, including the fact that our extensive imports from third countries include foodstuffs, which is causing problems within the Community. I should like to say that we must naturally try to be as open as possible in our trade with third countries, but one cannot turn a blind eye to the considerable imports of protein crops and butter, since, as has been pointed out, the Community has massive stocks of butter. I should like to add at this point, however, that, compared with consumption, these stocks are not in fact so enormous, but now that we are on the subject, I might be permitted to say that if people can put these stocks down to overproduction in the Community, one could just as well claim that they result from excessive imports from other places which must also be trying to get rid of surpluses.

As regards structural policy, the Commission advocates discontinuing part of the aid provided for this purpose, and I must say I find this a very dangerous proposal as I seriously think it would be in conflict with the healthy development which has consisted of creating a series of rational and good jobs. In my view, the plan to discontinue aid to this rationalization is very near to being, indeed is, in conflict with the provisions of the Treaty. I should like to draw your attention to Article 39 (1) (a) which states that one of the objectives of the common agricultural policy shall be 'to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour'.

As I see it, an excellent example of this has been the subsidies granted, for example, for the modernization of cowsheds, and I do not think this is something which should be discontinued.

We in the Liberal Group do not agree with a number of points contained in the Liogier report, and we have consequently proposed that these should be deleted. I am speaking of the invitation to the Commission to draw up a common land policy. Regardless of one's actual views on this subject, I suggest that we vote for the deletion of this particular recommendation from the report since it would be most practical to regard this as more of a long-term issue which will be taken up at future part-sessions in a report to be drawn up by the chairman, Mr Caillavet, based on the work of the Committee on Agriculture at a seminar in

Echternach, for example. This, we think, will provide us with an opportunity to go into these more long-term problems. However, I should like to explain the reason why we so strongly oppose the idea of the Community drawing up a common land policy is simply that something of this kind would not be in accordance with the Treaty is, in our view, entirely a matter for the individual Member States.

Finally, I should like to sound a warning on behalf of the Liberal Group against any change of direction in the Community's common agricultural policy which might be implicit in these proposals. I should like to add, however, that there are a number of points which I have not commented on which I regard as positive. For example, there is the fact that the Commission is in favour of stepping up food aid to the developing countries. However, my fellow Liberal, Mr Croze, has already spoken on this subject as spokesman for our Committee. Nevertheless, we in the Liberal Group must sound a serious warning against any major changes of course in the agricultural policy. We feel that the current policy is a good one and that the Community has done a great deal to strengthen Western Europe. Various people, including Mr Liogier, have made a comparison here today with oil, and it may well turn out during the possibly stormy decade we are about to enter that the fact of having a large food production capacity may also be an invaluable strength. If we compare the regions surrounding us, we can see that agricultural production on such a scale is not a foregone conclusion given the natural conditions in Europe. We only have to look a few kilometres over the border of the Federal Republic to see that it is still possible there to have to queue for food, while massive stocks can be built up on this side.

We therefore regard this development in agricultural production as a major strength and we must be very careful not to destroy it. We in the Liberal Group, therefore, recommend that Parliament vote in favour of Mr Liogier's report in its entirety, as adopted by the Committee on Agriculture.

IN THE CHAIR : SIR GEOFFREY DE FREITAS

*Vice-President*

**President.** — I call Mr Vitale.

**Mr Vitale.** — (*I*) Mr President, ladies and gentlemen, in the opinion of the Italian Communists the Commission's proposals this year, more than in previous years, are marked by a basic contradiction which runs right through the Common Agricultural Policy and which becomes more and more evident as the crisis gets worse and the disparities among the Member States increase.

## Vitale

What is this contradiction? On the one hand, these proposals follow a certain line of thinking which we feel is correct — and we acknowledge that, Mr Gundelach — in trying to get to grips with the general problems of economic development. The proposals recommend a price freeze to combat inflation. Fine. They call for more vigorous measures to curb surpluses and to put an end to the tremendous drain on financial resources which has characterized the Common Agricultural Policy in the past. This is fine, too. Finally, there are the agri-monetary measures intended — unfortunately without success so far — to tackle the problems of the construction of Europe by phasing out the monetary compensatory amounts which are undermining all efforts towards European union. All this is acceptable — and we do accept it — even though farmers will be called on to make sacrifices. But it is acceptable only — and I am coming to the contradiction, Mr Gundelach — provided that these proposals are accompanied by others which will lead to a general overall programme for agricultural policy based on a review of the mechanisms and aims of this policy. This was the request contained in a resolution which Parliament adopted on 17 June 1975. If I am not mistaken, the rapporteur was Mr Scott-Hopkins, who is not noted for his love of planning. What I am saying is that this appeal to producers to accept sacrifices must be made on the basis of a planned use of resources and as part of a new approach designed to eliminate regional and social disparities, to encourage switching to other products and to redefine the role of European agriculture in the international context. I am sure the Commission will not mind if I say that this kind of approach is conspicuous by its absence. There is not a hint of planning on the horizon. This is where the contradiction lies. We want to make a fresh start, but no one seems to know where we want to go. This is why, in my opinion, the Commission is in such a poor bargaining position *vis-à-vis* the Council, the general public, and also the various lobbies which are always clamouring for higher agricultural prices, leading to more and more surpluses. We end up with ineffective measures like the co-responsibility levy on milk, which has not stopped deliveries to dairies doubling in the last year.

These are stopgap measures. The response to urgent situations is to come up with measures which do not go beyond the current year. We already know that this year we shall be paying out — as Mr Gundelach told us — 3 500 million u.a. on milk market support, 1 000 million u.a. for export refunds on cereals and 600 million u.a. to shift sugar into export markets. It is well known that the cause of this wasteful expenditure is to be found in the cast-iron regulations which protect milk, cereals, sugar and meat. And we all know that you cannot tamper with regulations! Instead, every year we adopt interim measures, with all kinds of exclusions and exceptions, and levies which are unpopular and ineffective in equal measure. What

we should be doing is getting to the root of the problem and changing the regulations which every year are bleeding the Community dry.

It seems that people would rather remain blind to the fact that there is an increasing gap between Community prices and world prices as a result of the falling dollar. On the one hand there are the dealers in animal feeds, who are importing zero-rated American soya beans and getting rich because of the new exchange rate for the dollar, while on the other hand the European consumers are paying three times as much for their sugar — and indeed four times as much for their butter — than the rest of the world. This is where you end up with a day-to-day policy or, if you prefer, a year-to-year policy without any long-term planning for an overall scheme of diversification, changeover to other products, reduction of production costs and re-establishment of balance within the Community. This is where you end up when anarchy prevails, and this is what we are trying to stop.

The policy of price support creates imbalances between Member States and makes it very hard for small producers to survive. And these are only the tangible signs of the anarchy in production and the lack of a long-term programme which would in fact justify asking producers to make sacrifices.

I must admit that many Members cringe at the mention of planning. We have seen this at meetings of the Committee on Agriculture. Let me make this point clear. We are not asking for centralized planning to be foisted on the producers. We do not feel it is possible in today's society or even, in such a form, in a socialist society. What we do feel is that there is a need for clear, long-term structural objectives for production, and on the basis of these we should draw up multiannual programmes to align the supply and demand of agricultural products by means of curbs and incentives in various productive sectors. This again is something that was called for in the 1975 resolution which I mentioned earlier.

We need clear objectives. For example — and I should like a reply from the Commission on this point — do we want to encourage an agricultural sector that processes imported raw materials, or would we rather have an agricultural sector that can itself produce the raw materials it needs? Second question: are we going to encourage the development of small agricultural holdings, perhaps as part of cooperatives or producer groups, or are we going to force them out of business in the name of efficiency and go far large-scale farming? Third question: are we going to encourage the access to the Community market of substitute products like manioc, or are we going to adopt a protectionist stance and shut the door to these

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products? Mr Hughes asked this question this morning. Fourthly: as the gap between world prices and Community prices widens — as it will as a result of the EMS — are we going to respond with structural policies to diversify production or with market measures that create higher and higher customs barriers? How are we going to find answers to these basic questions without planning that goes beyond the current year instead of just producing stopgap solutions in times of crisis, and which is even prepared to query the basic principles of the Common Agricultural Policy — especially the notion of free trade which is the cause of all the anarchy? This is the fundamental criticism we make of the Commission's approach. We are not criticizing this year's proposals — let me make that clear, Mr Gundelach — because, as I said, on the whole they seem to be along the right lines. What we are criticizing is the fact that they give us no indication of where we are going, or just why we should be asking farmers to make these sacrifices.

Even the structural measures which the Commissioner outlined this morning are vague and couched in general terms, and they are hardly likely to guarantee the development of the millions of small farmers who are the backbone of agriculture in the Community. There can be no structural policy without an indication of the kind of land tenureship we intend to encourage. We have to be clear on this, Mr Nielsen, and we have to know, if we are to have political and economic objectives to aim for. There can be no policy without an indication of the pattern of social relationships we hope to preserve in the countryside and of the aims in terms of general production we hope to achieve. The three short pages that the proposals devote to structural policy give no hint of the Commission's opinion on these basic issues. Mr Gundelach spoke about a new strategy, but quite frankly I cannot see any strategy or any of its intermediate objectives.

I have a final question. We have tabled an amendment — which the House has already adopted in previous years — calling for a maximum price beyond which the guarantee of automatic price support should no longer apply. This is the crux of the matter when it comes to moving beyond interim measures to a properly conceived programme. It will never be possible to give a clear indication of what the Common Agricultural Policy is trying to do, as long as the Community budget is weighed down by the 3 500 million u.a. needed to pay for structural surpluses in the dairy sector alone, and as long as the automatic procedure stops us from setting aside a definite amount beyond which the Guarantee section of the EAGGF will be freed of all obligation.

We are even more determined to push this proposal this year, because we read in Mr Howell's excellent report — and I think the figures I am going to give

are more or less correct — that 80 % of the milk surplus is produced by the large undertakings, while a million and a half small farmers produce less than 20 % of the milk that is left unsold. Fixing a ceiling to price support would thus not affect the small producers, and in any case they could be helped in other ways, for example with income subsidies or grants to help them change to other crops.

The time has come when we have to draw a clear distinction between the supposed, responsibility of the small producers, be they Italian or French, and the actual responsibility of the large-scale producers, French or Italian. This is the heart of the problem. On this point, I have to say that we much appreciate the distinction that Mr Gundelach, and the Commission, have made by exempting the small dairy farmers from the co-responsibility levy on milk.

One last word, and then I shall sit down. I have not said anything about the Commission's agri-monetary proposals. They are in any case something of a dead letter in view of the subsequent agreements by the Council, and there is thus no point discussing them here. Anyway, the proposed price freeze is already beginning to thaw at the edges. There is talk of an increase, and of agreement on a figure of 2 %. There is one point we must make clear. We are not opposed to a certain readjustment of green currencies, so as to encourage the phasing out of the compensatory amounts, but only within limits. For example, we could agree to a devaluation of 5 % for the green lira, but not much more. An overall devaluation by 9-10 % — if that is what were sought — would send consumer prices up by 1.5-2 % in Italy, and this would be intolerable in the current state of the Italian economy. But quite apart from this aspect, there is another basic issue which emerges here. All too often Parliament finds itself debating topics which have already been settled at summit get-togethers or by Council decisions. The Commission must refuse to be a party to this bypassing of Parliament, which becomes all the more critical as the workers take a keener interest in the European Parliament and the direct elections. On the one hand, therefore, our vote on the Commission's proposals will be guided by our genuine appreciation of the attempts by the Commission to correct certain aspects of the common agricultural policy, and also the personal efforts of Mr Gundelach in this matter. On the other hand, however, our vote will also be guided by the negative impression we have on account of the lack of any programme.

We reject the conclusions reached in Mr Liogier's motion, which in essence champions a policy which we have been fighting against for years. We hope that the new Parliament, with the increased status that will come from direct elections, will be capable of achieving changes and showing the producers and the

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consumers that a different agricultural policy is feasible and essential as the first step towards a new Europe.

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

**Mr Herbert** — Mr President, like the other speakers, I would also like to congratulate the rapporteur for his excellent work in presenting this very detailed and comprehensive report. I am particularly happy that it contains many of the principles that my group is deeply committed to: for example, the preservation of the family firm, the provision of employment in rural areas, the improvement of structural policy and the provision of adequate and just incomes for our producers.

This year the Commission has once more put forward a package that is in the main completely unacceptable to us. Despite what the Commissioner said this morning with his long lecture on the incomes proposal, I still fail to understand his motivation in putting forward a price freeze for all products. Surely the Commission is aware that there is a high degree of inflation still in the Community. Surely the Commission is aware that farming costs will rise considerably in the next twelve months. Why on earth is farming singled out for a price freeze when every other sector of society is demanding and getting huge percentage increases in incomes? The argument that people can increase their incomes by increasing productivity surely should apply all round.

We do agree that there are difficulties in the milk sector. However, once more the Commission has evaded and avoided any reference to the two major contributory factors. Firstly, substantial imports of New Zealand butter still continue to appear on the Community markets. I am fully aware of the commitments entered into in regard to this butter, but surely the time is ripe to say here and now that these imports will terminate after the expiry of the butter protocol in 1980. Surely it is time that was said. Secondly, I wish like others speakers, to refer to the availability of unlimited quantities of cheap imported feed that are being used in certain parts of the Community for the production of milk in an industrial fashion. Surely radical measures are needed to control these imports. The Commission's vague promise in this respect is totally inadequate. But I commend the rapporteur for emphasizing the need for controlling such imports. We listened to Mr Hughes this morning speaking in very lofty and idealistic tones about the need to trade with Thailand and other developing countries. We all shared his view: but surely it is wrong to encourage the production of a product that is not in demand. Why not encourage the production of products that are in short supply?

Is he using the same yardstick for American soya producers? Are they to be exempted while Community producers are penalized? If Mr Hughes wants to import unemployment into the Community, let him say so loud and clear.

I was very disturbed recently to read in the media that in the context of the current GATT negotiations, the Community is contemplating importing 10 000 tonnes of beef from America. I find it difficult to understand why the US should wish to export beef to the Community, when they themselves are importing vast quantities of beef into their own internal market. I wish to state clearly that there is no room in the Community for US beef — just as a few short years ago, there was no room for Community beef in the US market, when we experienced the imposition of countervailing duties. They vetoed the export of a mere 6 or 800 tonnes of beef from my own constituency. Our first duty is to our own producers. Let us rigidly apply the principle of Community preference. We have plenty of capacity to increase our beef production, particularly if we want to reduce milk production. But this surely is no way to go about that.

I fully agree with some speakers that the co-responsibility levy will fail in its objective; and I add the opposition of my group to this unjust and penal tax. However, I do welcome the social dimension of the levy, and I commend the Commission on having an awareness of the social responsibility when it exempted small producers from the levy. I also welcome the assurance we got this morning from the Commissioner that the co-responsibility fund would not be subsumed into the general budget, but would be used to improve exports.

One of the few areas of hope in the Commission's proposals relates to MCAs. Current negotiations indicate that a solution may now be in sight. This is something that our group has been deeply committed to over a number of years, and it gives us pleasure to offer every encouragement to both the Commission and the Council to reach an acceptable final solution and rid the Community of these penal border taxes.

I welcome the Commission's intention to amend and readapt the structural directives to take account of the special needs and traditions of farming in Member States. In particular, I would like to welcome the easing of access to development plans under the farm modernization directive and the further commitment to special action in the weaker regions, especially in the West of Ireland. However, I sincerely hope that the proposal for the West of Ireland will not be used as part of the prices package for the purpose of getting the consent of the Irish Minister to a price freeze. I must voice our objection to the proposal to exclude most dairy, pig and green-house investment from development plans. Such a policy would completely

**Herbert**

undermine the effectiveness of this directive in Ireland, and indeed elsewhere in the Community. As dairying is a major element of farming in Ireland, this proposal would nullify the impact of the directive and the impact of the easing of access to development plans. Should the Commission proposals be adopted, this is bound to create new pressures to implement aids at national level, and thereby lead to a fragmentation of the common agricultural policy. This is a trend which we wish to avoid.

Mr President, I have put down amendments in my own name and in the name of my group and I now formally wish to move these amendments.

In conclusion may I again offer my congratulations to my colleague, the rapporteur.

**President.** — I call Mr Christensen.

**Mr Christensen.** — *(DK)* Mr President, I have in the past criticized the basis of the agricultural policy of the European Community here in Parliament on the grounds that its two fundamental principles are mutually incompatible. We are trying on the one hand to guarantee a reasonable standard of living for the agricultural population, and on the other, to guarantee reasonable prices to the consumer.

In all the years the Community agricultural arrangements have been operating, or trying to operate, it has never proved possible to find a way of reconciling these two principles. This has become really apparent for the first time in this debate, since, as we can see, Mr Liogier in his report refers to Article 39 (a) and uses it as a basis for his opposition to the proposal to reduce aid for modernization. I would be equally justified in telling Mr Liogier and his supporters that, in the light of Article 39 (e), which refers to guaranteeing supplies to consumers at reasonable prices, I must reject Mr Liogier's proposal as being completely in conflict with the Treaty. It is a fact that there can be no question of reasonable prices to consumers if we follow Mr Liogier's recommendations. It is a fact that agriculture accounts for 75 % of the total budget, and we have once again heard in debate that 90 % of this is used for buying up surplus stocks in many areas. There is overproduction of dairy products. There is overproduction, as Mr Gundelach pointed out in his speech, of butter, skimmed milk, sugar, rye, wheat, barley, beef and apples, to name but a few, yet there are some people in this Parliament who are in effect advocating still more overproduction, this being the inevitable consequence of raising the prices still further. All in all, I think we are on the horns of a dilemma. Perhaps the most important factor is not the actual level of the State-guaranteed intervention prices, but rather the fact that they are higher than the market prices. If prices are high, this encourages greater production, and if they are low, but nevertheless higher than the market price, this can still

encourage farmers to increase production in order to maintain their current income and pay off interest and capital on the debts which are fairly common among farmers. However, it would naturally be in the interests of society if intervention prices were as low as possible, and for my part I would prefer this system to be abolished altogether.

If we are to overcome the problem of overproduction, intervention prices must be reduced and not merely frozen. Furthermore, the Commission told us last year that a price freeze would enable us to take some serious steps to combat overproduction. We can see how little this has helped, and I can even foresee that, if there is another price freeze, our overproduction problems will be even greater next year, and so it will go on.

In fact, Mr Gundelach is fighting a losing battle against the protectionist lobby in this Parliament and the Council of Ministers, and we are getting deeper and deeper into the mess we are making of our attempts to plan our economy.

I am against the introduction of a co-responsibility level, which is something far worse still. What we should of course do is to fix intervention prices as low as possible, preferably below the market price, which would result in them becoming completely meaningless. The co-responsibility levy is an additional burden on agriculture and, with all the exceptions mentioned in Mr Liogier's report, it would be extraordinarily difficult to administer. In addition, it is not exactly in keeping with the plans to modify structural policy for smallholdings. Badly situated holdings, which are to be rationalized, will not be liable to this co-responsibility levy but rational holdings will — which is a further example of the self-contradictions inherent in the Community's agricultural policy.

I am even pleased that we are taking — or hope to be taking, a further step towards dismantling the monetary compensatory amounts which in effect represent tariff barriers within the European Community. We would be glad to see them abolished, but it is probably a little over-optimistic to think that this is going to happen as planned here. I should like to say a few words about the proposals contained in Mr Liogier's report. As far as I have been able to keep track, the report is all in all proposing increased prices or higher premiums for the following products regardless of the fact that surpluses are being produced in some cases: pigmeat, beef, oil seeds, milk powder, butter, alcohol, fruit, vegetables, wine, rice, tobacco and rye. These, then, are the things included on this extensive list of requests, in spite of the fact that there is overproduction in many cases. In order to make quite certain, subsidies to suckler cows and for slaughtering heifers have been proposed. On top of all this, there are a number of somewhat drastic protectionist plans — indeed, eight of the 39 proposals involve increased

## Christensen

protection for isoglucose, sugar, soya, tapioca, manioc, butter, agricultural products from third countries in general, and industrial products based on substitute products from third countries, and, as part of this protectionism, there is even talk of a levy on margarine. I congratulate Mr Hughes on his excellent speech, which — and I should like to make this clear to Mr Herbert — was not mere idealism, but also reflected a sense of responsibility and social awareness, in contrast to the contributions from the agricultural lobby which have been so numerous during this debate.

Mr Hughes pointed out the possible consequences of a protectionist policy for countries in South-East Asia, for example. Mr Herbert is making a big mistake if he thinks that jobs are at stake since what would be likely to jeopardize jobs would be for the European Community to stop importing from the poor countries and other countries, since this would result in these countries being unable to buy Community products. This would lead to unemployment in the Community, and for this reason, the increased protectionism would, contrary to the views of the Committee on Agriculture and its supporters, get us nowhere. Indeed, what it would in fact lead to would be increased prices to the consumer, higher subsidies to agriculture paid out of taxpayers' money and, last but not least, increased unemployment. On top of this, we know that countries hit by this subsidy policy would take reprisals which would result in massive aids of up to 75-80 % for exports from the European Community. We have seen how the USA has taken reprisals, or at least that there was a risk that they would do so, against the export of ham, cheese and biscuits, etc. In spite of these depressing experiences in a whole series of sectors of the European Community's agricultural policy, people are proposing extending this approval to cover potatoes, sheepmeat and ethyl alcohol. There appears to be no limits to the list of requests and this is why there is opposition to the Commission's proposals and the reduction of modernization aids.

As things stand at the moment, the funds at the disposal of the Commission can be obtained both for aid for building cowsheds and for eliminating herds. This means that those farmers who wish to eliminate their herds and do not need sheds can receive aid for this purpose whereas those who intend to extend their sheds and increase their herd can also receive aid for this purpose. I think this is symptomatic of the lack of cohesion in the agricultural policy as described so excellently by Mr Hughes.

I should like to say that there are no signs of any progress with regard to the abolition of national State aids, which is something other speakers have also mentioned and which we must deplore. The national State aids account for a sum greater than or at least equal to the total Community agricultural budget.

They are in conflict with the Treaties and, as one speaker has already pointed out, frequently tend to counteract the efforts being made in accordance with official Community agricultural policy in so far as there is any cohesion whatsoever in the latter.

There was, however, one point in Mr Liogier's report which I can go along with. This is the question of a new land policy, since land speculation and the fact that the prices of agricultural holdings are often disproportionate to the yield clearly constitute a burden on the agricultural sector in the various Member States. If we did something about this speculation in agricultural land, which has unfortunate social consequences, we would be making a positive and constructive contribution to the well-being of the agricultural sector. However, no initiative has as yet been taken in this area. Mention has merely been made of the problem of inefficient land distribution — which is also a serious matter — but the other problem has simply been passed over.

In conclusion, I urge you for these reasons to oppose this report.

**President.** — I call Mr Hoffmann.

**Mr Hoffmann.** — *(D)* Mr President, I suppose complicated subjects mostly need to be illustrated by metaphors or similes. But I noticed this morning that one simile which was used, namely that of the circus clowns, was not particularly appreciated. However, in defence of their honour it must be said that clowns are mostly very intelligent people because they take a humorous view of things. And so, because the clown image is not so popular, I thought about what other image I could choose and came up with that of poker players. This year's deliberations on agricultural prices remind one of a game of poker in which at least two of the players have marked cards. The first one with marked cards is COPA, because its arguments have been accepted wholesale and sometimes without verification, as can be seen, for example, from Annex V of Mr Liogier's report and as can also be explained by a quotation published on 8 March by the European People's Party. I refer here to the trend in producer prices, and without going into detail I would just quote what COPA once again stated on 12 March 1979 in the VWD press service, namely that the disparities between agricultural and non-agricultural incomes, considerable as they were already, have increased even further. Several speakers have already gone into this point, but what is beginning to annoy me in this debate is that these blanket statements do not contain an admission — and neither does COPA admit it — that within agricultural incomes there is a north-south differential of 10 : 1, and that therefore average agricultural incomes cover an enormous range. So average figures have very little meaning, and it is the facts which must be looked at. Let me give three examples.

**Hoffman**

My first example is the Federal Republic of Germany, where over the last ten years farmers' incomes have kept pace with industrial incomes, both increasing on average by 8 % per annum. Thus the COPA statement is not correct on this point. There is one country — the United Kingdom — where the level of farmers' incomes compared with that of wages in industry, is relatively high. Thus the COPA figures are again incorrect.

On the other hand there is one country — France — where the COPA figures actually do apply to the majority of farmers. France's agricultural producers are in a very weak position, at least in comparison with industrial workers. But even in this case some differentiation is necessary, since it is not so much the ratio of producer prices to industrial earnings which must be looked into, as the problem of a comparison between small and large producers. There are enormous differences here, and as far as I am concerned, average figures of the kind put forward by COPA are simply not enough. These criticisms which I am directing at COPA naturally apply equally well to the European People's Party and to whole sections of Mr Liogier's report.

What both COPA and the rapporteur fail to make clear enough in the discussion on prices is that these producer prices must be examined with regard to their cost structures, e.g. in conjunction with the engineering and chemical sectors, energy questions, the processing sector and the trade. It is only this overall picture which can give us an idea of what can happen to prices and how far we have any chance at all of exerting the necessary influence on them. The conclusion which must be drawn from this is that a policy involving a flat-rate price rise is utterly mistaken, since it takes absolutely no account of this differentiation. We therefore support the Commission in its cautious prices policy and would urge it to lay greater stress on structural measures.

So much for the first one using marked cards in this game of poker. The second one is none other than the Council, which during the negotiations on the European Monetary System engaged in a certain amount of horse trading by juggling around a little with the monetary compensatory amounts; but the main thing about these negotiations is that it was tacitly decided to disregard the market control aspects in dealing with agricultural prices. That, I think, is what it amounts to. Therefore the Council has in fact failed, since it ought to be prepared in this debate to state its views on the growing problems of the agricultural market, so as to give us an idea of what the agricultural market is to look like in the future, especially in view of the forthcoming enlargement of the European Community.

To sum up this point, the Council is incapable of giving the necessary impetus to the agricultural policy. In this way it curbs the positive approaches in the

Commission's plan, and all Parliament can do is play an advisory role. If I may keep to the poker-playing comparison, this means that we may look over the shoulder of one of the players, i.e. the Commission, while the Council sits pokerfaced across the table and COPA already knows who is going to pocket the kitty.

The facts are fairly clear. The European Community budget for 1979 provides for expenditure of approximately 35 000 million DM, of which just under three-quarters is intended for the agricultural sector, where we have the extremely unfavourable ratio between the 'Guarantee' Section and the 'Guidance' Section of which you are all aware. In some critical areas surplus production is still on the increase, and to illustrate this I looked at the growth rates for dairy production in the Community in 1978. For the individual countries the position is that the increase in production over the previous year, when production was already at a high level, was 3 % in France, 4 % in the Federal Republic of Germany, 4.6 % in the United Kingdom and 6.5 % in the Netherlands. If this is the case, and yet nothing is being done to adjust prices and none of the measures demanded by some people are being taken, and if prices are to be raised even more, I should just like to know by what approach we can hope to cope with these surpluses. In my view, advocating flat-rate price rises for some products will not even begin to solve the problem. It has been said that 1979 will see a further growth of 3 % in the dairy sector, which will certainly do nothing to alleviate this problem. Thus, if the enlargement of the Community and the problems I have mentioned are to be prevented from leading to collapse, the Commission's cautious approach must be strengthened. I am perfectly prepared to admit that we cannot throw the baby out with the bath water, and I have learned in the discussions in the Committee on Agriculture that the agricultural industry cannot itself carry many of the burdens imposed on it. I am perfectly prepared to admit this, and it must be borne in mind with regard, for example, to the problem of animal feedingsuffs and their substitute products, so that for reasons of cost certain Community products are used less than imported products. What particularly amazed me in this context was the disparity between exports and imports in trade with the USA. The Community now imports agricultural products worth 7 000 million dollars from the USA, to which it exports only 1 400 million dollars' worth of products. This is a huge imbalance, and I know that a similarly unfavourable ratio of exports to imports in trade with the ACP countries. I know that these two problems, and others also, must be seen in a wider political context and that they are to some extent self-imposed. To that extent, of course, I must admit that if these costs hit the agricultural industry, it should not have to bear them alone. I think that this goes without saying, since it involves political will which goes beyond the agricultural



**Hoffman**

policy. A similar situation applies to certain burdens under the monetary system, but we have dealt with that in sufficient detail for me not to have to repeat it now.

The reservations I have just made do not, however, solve the basic conflict of this year's debate on prices. Even if you consider the present level of consumer prices to be acceptable, any isolated view of prices is meaningless, since from the consumer's point of view what must be considered is not only prices but also the cost component which is paid through taxes and is used to manage surpluses. We can only get the better of this problem if we accept that prices policy alone is powerless. I would remind you of our debate on the relation between agricultural, regional and industrial policy. But I would also remind you of the fundamental position adopted by the Socialist Group, namely that direct transfers of income should be used to help in cases where an overall prices policy which is cautious cannot otherwise adequately guarantee a minimum living standard for farmers. I therefore think that the German *Bundesrat* was wrong to adopt the Decision of 9 March 1979, which is fundamentally opposed to the Commission's proposals, namely that price support measures under the common organization of markets should be removed in certain subsectors and replaced by aid arrangements.

After what my colleague Mr Hughes has said and on the basis of my short speech, there are a number of amendments to the report before us. You will all have seen that more than 30 amendments have been tabled by the various political groupings in the House. So I cannot now deal with these problems in detail. Our Amendment No 34 serves to sum up our views on prices policy, since it refers to one crucial aspect. It reads as follows:

Considers, while recognizing the need for a freeze in the price of products in which there are structural surpluses, such as cereals, sugar and dairy products, that it is possible slightly to increase the prices of products from other sectors to encourage farmers to produce these foodstuffs of which there is still by no means a surplus.

I should like to end by wishing the Commissioner much courage and perseverance in his attempts to bring home to the Council that, together with Parliament, it should at last undertake to alter the political emphasis in the way I have described.

**President.** — I call Mr Ligios.

**Mr Ligios.** — (*I*) Mr President, I feel I can say that the proposals on agricultural prices which the Commission has submitted to Parliament this year are

more encouraging than last year's. There are two aspects of the proposals I particularly want to dwell on because I feel they are of special importance. Personally, I think the Commission proposals reveal a certain determination to avoid piling up more surpluses. Also, recurring emphasis is placed on the need to intensify measures for structural reform in order to put an end to regional disparities in the Community. I feel that theme runs right through the Commission proposals.

Mr Liogier has made a tremendous effort to reconcile the various requirements which emerged during discussions in the Committee on Agriculture and during the meetings which the committee had with organizations representing the producers and the consumers. I feel that his efforts should be rewarded with substantial, albeit not total, support for the proposals contained in this motion for a resolution. In this respect, it must be borne in mind that, while we are discussing the concrete measures which will have an impact on the incomes of hundreds of thousands of families in the Community, an even clearer picture emerges of the contradictions in some aspects of the Common Agricultural Policy which we have been spotlighting for years and which, to some extent, we feel ought to be brought up again at this point.

It is our opinion that the price mechanism, used as it has been up to now to ensure that farmers have a fair income, and the total or even absolute guarantee to buy up the surpluses of certain products in the richer areas of the Community are two factors which, when taken together and allowed to continue, have produced two particularly serious results. I feel that these are among the worst effects of the Common Agricultural Policy, which in other respects is quite praiseworthy, and we have said as much on other occasions.

Firstly, these two factors have led to the creation of expensive surpluses. I am sure that little imagination went into the administration of these surpluses, because some thought should be given to circumstances in the world, where millions of people are suffering from malnutrition and sometimes dying of it. What I mean is that there should probably be a different approach to this problem of surpluses or that the Community should be a bit more adventurous.

Secondly, the other distortion is the widening gap between farmer's incomes in some regions of the Community and their incomes in other regions. I am talking about differences in income which already existed when the Community was born. There is an article in the Treaty establishing the Community which states quite clearly that one of the fundamental aims is to reduce or eliminate these differences. Unfortunately, however, during the life of this Community

## Ligios

and of the Common Agricultural Policy, the gap has not only failed to narrow but has even got bigger, to the extent that incomes in the richer areas of the Community are now 2.5 times as high as incomes in the poorest areas, which are generally regarded as being the Mediterranean regions.

On top of all this you have the harmful effects of the monetary compensatory amounts, or rather the harmful effects of having persevered far too long with these compensatory amounts. The two factors together are the root cause of all the disturbances which have gradually come to the surface in the Community. It is one of the reasons why we often see farmers at odds with their colleagues in other Member States — as witness the recent events on the border between France and Belgium. Things like this have a negative effect and only make people wonder if in fact the Europe of the future will be able to guarantee social peace in the countryside and align incomes more equitably, at least within one particular sector of the economy.

It must be clear from what I have said that I agree with the Commission proposals when they are designed to reduce surpluses and achieve a better balance between incomes in the various regions. However, I have serious doubts about whether a simple price freeze will be enough to balance the supply and demand of certain products on the Community market. Take the dairy sector, for example. Anyway, there are quite a few difficulties involved in a price freeze, and this point has emerged in the speeches we have heard here and during the meetings of the Committee on Agriculture. What we have to do is to be somewhat stricter in making the producers comply with the co-responsibility mechanisms. They have to be aware of their responsibilities in this. At the same time, we have to come up with other forms of intervention to supplement the incomes of the poorer farmers, provided that this intervention is not aimed solely at needy farmers in certain sectors, but at farmers in all sectors. It was with this in mind that I put my name to an amendment urging that the prices of products of which there was a structural surplus should not be increased.

Lastly, I want to say something about the second point I mentioned — the need to achieve a better balance of income among farmers. There is a lot of talk nowadays about structural reform, amendments to socio-structural directives, regional policy and a plethora of measures and initiatives which are all fine and along the right lines and which we support and for which we give due credit to the Commission and the Council. In a way, you can interpret all these measures as evading the issue. In themselves, in my view, they are not enough to bring about a better balance unless we spread wider the net of guarantees applied to the various products. What I mean is that we cannot go on giving a total and absolute guarantee

to some products while others are barely covered. Of course, I do not mean that we should extend to Mediterranean products the same sort of system we have for dairy products, sugar, meat and so on. It would be ridiculous to start building up surpluses in this sector, too. What we are asking is that the system be more widely spread among agricultural products.

Before I close, I want to mention land policy, which has also been referred to by a number of other Members including, I think, Mr Nielsen. He mentioned something in Mr Liogier's motion which was adopted by the committee after the tabling of an amendment signed by myself and others. We are not setting out to say that the Community should right away assume the financial responsibility for restructuring land tenureship in the various regions; but we do want to draw attention to the facts in certain Mediterranean areas. It is not enough to say — as we hear in Community circles — holdings under five or two hectares are not even officially registered. If you do this, you are shutting your eyes to the awful consequences that will ensue, because many of the praiseworthy measures worked out by the Community to help these areas, — the Mediterranean regions, for example — will come to nothing in practical terms unless we solve the shocking problem of the fragmentation of agricultural holdings, which is the historical legacy of land tenureship based on laws passed in countries with feudal regimes. If this problem is going to be solved, we need a Community approach.

Lastly, Mr President, I have also put my name to two amendments that I should like to mention very briefly. One requests that, in order to help dispose of Community surpluses, more should be done with appropriate aid from the EAGGF to transfer intervention centres from the areas of surplus to the areas of shortage in the Community. The other amendment, while approving the principle of avoiding the creation of surpluses, invites the Commission not to limit the production and processing of Mediterranean fruit and vegetables.

I could say a lot more, Mr President, on this very topical subject, but my time is up and I shall restrict myself to the few comments I have made.

**President.** — I call Mr Croze.

**Mr Croze.** — (*F*) Mr President, I should like to draw Parliament's attention to the Community's external agricultural policy and to the growing imports of substitute products.

Can it be said that the Community really has an external agricultural policy? Contrary to what Mr Gundelach said this morning, I do not think so, and

## Croze

all I need for proof is the fact that our exports in this sector cover only 30 % of our imports, as against 250 % in the United States. In the light of those figures, who would still dare to pretend that the Common Agricultural Policy is tainted with excessive protectionism ?

In order to restore our trade balance we must increase our exports and, if I may quote a phrase used by the President of the French Republic, 'our agriculture must be our oil'. You will remember that two years ago we missed the chance of a five-year contract with Egypt, which would have enabled us to double EEC exports to the southern Mediterranean region. Contracts of this kind, particularly for the supply of cereals, could be concluded with quite a few third countries, e.g. China, especially since that country is being very complimentary about the Community at the moment. The opening of the Common Market to Greece, Spain and Portugal will give rise to new surpluses, and for this reason this export policy will become more and more indispensable. We should therefore make an immediate start on studying and seriously planning a policy of long-term contracts. The balance of the cereal market is being affected this year by a record harvest and by the rapid increase in competitively priced imports of animal feedingstuffs. Vast imports of manioc into the Community, and the fact that all substitute products together now amount to almost half the cereals offered for sale as animal feedingstuffs are likely to have a very adverse effect on our external relations. In fact, substitute products are driving from the European market growing quantities of cereals which must then be sold on the world market to the displeasure of certain large exporting countries.

Inside the Community these imports are having more and more disastrous consequences, to which I should like to draw the attention of both the Commission and Parliament. Owing to the increase in our cereal exports, the amount of refunds has trebled in one year. The EAGGF can certainly do without this extra burden! The producers themselves are bearing the brunt of this situation. The disparities in competition have become most marked in the pig breeding sector. They have led to inevitable social unrest, such as the recent blocking of borders. In this sector manioc imports have benefited from the system of monetary compensatory amounts and from the way in which they are calculated. These amounts have been fixed according to the quantity of cereal required to fatten a pig. It so happens that manioc imported from Thailand — 5 million tonnes in 1978 — is half the price of Community cereals. German, Dutch or Belgian pig farmers are therefore well advised to use manioc to reduce their costs, since they receive subsidies calculated on the basis of products which they have not used. What is more, vast 'pig factories' have sprung up around the major North Sea ports.

Thus there is only one solution to this problem, namely to impose quota regulations and taxes on manioc, since such a loophole, which is likely to upset the entire market, cannot be allowed to continue. Imports of maize from the USA are taxed on arrival in the Community, so why not manioc ? This is all the more since imports of manioc, which is a low-protein cereal, must be accompanied by imports of soya beans, which in turn increase our dependence on imports to cover our protein requirements. Mr Liogier is perfectly right to demand the penalization of all industrial production which is based solely on substitute products imported from third countries. We must say no to milk factories just as we must say no to pig factories.

On the highly controversial subject of the co-responsibility levy, to which I am personally opposed I should like simply to stress that, should Parliament consider that the principle must once again be endorsed, the levy should apply, as our rapporteur stresses, only to farms which supply very large quantities of milk and use huge amounts of soya beans. My personal opinion is that the Commission's proposal to introduce a variable levy, with a minimum rate of 2 % and subject to review three times a year, is a perfect example of the involved technocratic mind at work ! This system is unfair, inefficient and unenforceable, so much so in fact that the Committee on Agriculture rejected it by a very large majority.

To conclude, I should like to stress another inconsistency, namely that which exists in the sugar sector, between Community policy and the policy of the Member States. In fact, the Commission has issued a communication to this effect. In this excellent document it points out that projects in the sugar sector which have been or are being carried out in the ACP countries with national aid from the Community countries will result, in a sugar surplus of 900 000 tonnes by 1981 ! How can you make European sugarbeet farmers accept a further reduction in their B quota, when at the same time the ACP countries, who will be looking for a market for this new production, will be asking for an increase in the sugar quota provided for in the Lomé Convention ?

Since the system of sugarbeet quotas is soon to be renegotiated between the Member States and the Community, I think that the Commission's proposal to reduce the B quota is totally mistimed. Let us wait until after the renegotiation and especially until our sugar policy has become more consistent, which is something which we must also aim at with regard to isoglucose, which now seems to be competing with sugar, since it is becoming increasingly important in certain branches of the food and drink industry. The only way of ensuring a fair basis for competition between sugar producers and producers of isoglucose is to impose the same restrictions on the latter as apply to the former, i.e. to introduce quotas.

## Croze

These are the few remarks I wanted to make on international trade in agricultural products. A year ago hardly any mention had ever been made in this House of the danger which might be involved in importing substitute products such as manioc. Thus, 1978 saw new loopholes being opened, aided by the confused monetary situation, and some people would like to take advantage of it to widen them. We Liberals want, on the contrary, to close these loopholes by negotiating a number of international agreements which would establish full reciprocity and equality of obligations, since we do not wish to jeopardize the very foundations of the Common Agricultural Policy. We are therefore very pleased with the recent decisions on monetary matters taken by the Council of Ministers of Agriculture, which should enable us to return to unity in Community agricultural prices through the gradual dismantling of monetary compensatory amounts, while avoiding any loss of income to farmers in the countries with strong currencies. I shall finish by expressing the hope that this view is shared by the majority in the House, as was the case in the Committee on Agriculture.

**President.** — I call Mr Soury.

**Mr Soury.** — (*F*) Mr President, on behalf of the French Communists, I should like to say that, with its attempt to freeze agricultural prices, the Commission is going some way towards adopting the new approach which it considers absolutely indispensable for the Common Agricultural Policy, particularly with the prospect of an enlarged Common Market.

For months now this question has been debated in the Committee on Agriculture, where we have heard it said several times that, if the policy is not changed in this way, it will mean a catastrophe in the 1980s as a result of these surpluses which burden the markets.

It was described to us as a success that, while it had been necessary to grant a 9 % price rise for agricultural products in about 1975, it had been possible to reduce this increase gradually to reach some 2 % in 1978, the aim underlying this trend being to achieve by 1979 — still heading towards what is considered a success — a zero rate of increase, and it is to this end that the proposal to freeze agricultural prices was made. It was even explained to us with great emphasis at the Echternach Agricultural Symposium that a move must be made to change the function of prices for agricultural products. This means that remuneration for agricultural work should no longer be entirely covered by prices, with the price making up only a part of that remuneration, and the rest having to be made up in the form of subsidies. Thus, on the basis of these cut-rate prices, our agriculture would be turned into a State-aided branch of the economy. I know that this is not yet the case, but the European

are thinking about it, and in 1979 the attempt to freeze agricultural prices must be seen as a forerunner of these proposed changes.

Before the remarks which I propose to make to the House, I should like to say that as long ago as the October part-session I put a question to the Commission on behalf of the French Communists, since even then it was reported throughout the press that the Commission intended to freeze agricultural prices.

You will remember, Mr Gundelach, that at the time the tone of your reply was one of indignation, and you stated very firmly that there was no question of a price freeze, that you had never seen a subject put forward by the Commission treated in such a cavalier manner, and that the question was absolutely pointless since it was based on false assumptions. If I wanted to pick an argument, Mr Gundelach — which I do not — I could easily say that on that particular day, the cavalier methods were perhaps not being employed on my side. But that is not the point at issue.

Not to be forgotten is the fact that, from the position you adopted at the time to the fuss now being made to cover up the move to change the very basis of the entire Common Agricultural Policy, everything shows the Commission's single-minded determination to achieve its aim at all costs. I would be the first to agree that it is not an easy task. You are facing a mammoth task. Let me quote the example of my own country, where production costs are increasing by at least about 10 % per year. So I agree that it is very difficult to go along to farmers and tell them that they must not put up their prices.

There is the example of social security contributions, which are increasing in France this year by an average of 15.53 % — and you don't expect prices to rise?! And, as if that were not enough, there is further penalization because monetary compensatory amounts are in the main to be retained. Surely you do not believe that farmers are going to accept such a policy, which will lead — that is perfectly obvious — to the destruction of part of our agricultural potential. With prices increasing everywhere else, how do you expect the agricultural sector to accept a freeze on its own prices?

What are agricultural prices? They are the farmer's wages. Freezing agricultural prices is thus tantamount to condemning farmers to a considerable drop in income. This is the first time ever, it must be said, that such an attack has been planned against agriculture. I repeat that it is unacceptable. In the Committee on Agriculture I heard the view expressed several times that this great upheaval which is planned against the background of European austerity may have far-reaching social repercussions. Indeed, how could it be otherwise? I declare our total solidarity with and our active support for the farmers and

## Soury

their organizations, who are forced to take collective action against this policy that can only be called a policy of decline.

The hardest hit producers in my country have already reacted. They are the pig farmers of Brittany and the beef and veal producers in Central France, who blocked roads and railways during a massive demonstration by 10 000 of them and who are preparing for another major day of action on 28 March. All over the South of France a powerful movement is taking shape to combat the enlargement of the Common Market. Today this is the only way left in which farmers can make their point. Furthermore, the agricultural organizations have all roundly condemned the price freeze proposed by the Commission. They are all worried and reject the method used by the Commission to calculate agricultural incomes, which involved the concept of value added per person employed in agriculture, as if this value added, which includes production costs, could be mistaken for income. But this has already been discussed. And then certain sectors, such as the potato sector, are ignored for purposes of calculating incomes, because it is maintained that they do not come under the common organization of markets, while sheep farming is included even though that does not come under it either. In other words, tricks like this are being used to boost agricultural incomes artificially in an attempt to justify the famous price freeze.

The true situation is that in France, precisely because agricultural prices are still lagging behind industrial prices and are unable to catch up with them, 1979 will be the fifth year in which agricultural incomes have fallen, which means that the situation of small farmers is becoming very precarious and I repeat what other speakers have said, namely that it is impossible to generalize about farmers' incomes without taking account of the specific production factors which vary even within one country and even within a single region.

Parliament's Committee on Agriculture rejects the price freeze and rightly points out that, if the Commission persists in its policy, many farmers will have to give up farming entirely and join the Community's other six million unemployed. I note that, in this respect, the committee has arrived at the conclusions which we Communists arrived at as long ago as the October part-session and which I referred to a moment ago. But after making a good start the Committee on Agriculture pulls up short, since it is in favour of allowing compensatory amounts to continue. I should like to reaffirm that this system cannot be continued any longer. It seems that, contrary to what is astonishingly so often stated on this subject, currency differences could be adjusted, according to the most expert opinions, without compensatory amounts. Therefore the reasons for keeping MCAs must be sought outside technical difficulties, even outside the Community spirit, since what is

happening is that producers are being set against one another. Compensatory amounts are completely contrary to the three great principles on which the Common Agricultural Policy is based: unity of prices, Community preference and financial solidarity. These MCAs have been going on for years. Just let them carry on another four years and we shall see what we have to show for it! In France, pig farmers are in great difficulty, but the same competition affects beef and veal production. According to the statistics supplied to us by the Federation of Beef and Veal Producers, a hindquarter of beef produced in the Federal Republic of Germany has in recent months been entitled to a subsidy of 349 old francs per kilo on the hook on crossing our frontiers, while our beef is taxed when it leaves the country.

You can talk about Community spirit as much as you like but it will not change anything; there is nothing common left when the markets have been distorted to such an extent, since the results are quickly felt: exports from the Federal Republic to France have increased by 18% because meat produced by French farmers is quoted at Rungis at between 16 and 17 francs per kilo on the hook, while the same quality meat produced in the Federal Republic and subsidized by Community funds arrives on the French market at 14.40 francs per kilo. No, this is not acceptable and our producers will not accept it. No, we cannot wait four years, as suggested by the motion for a resolution before us and by Mr Liogier's report.

No, there is no longer anything 'common' in such a policy. You can therefore expect the French producers to take forceful action, since our stock farming would never recover from the effects of such a policy and, for our part, we Communist deputies will be forcing another debate in the Assemblée nationale, since we feel that this is a question which has to do not only with producers' interests but also with the national interest, and we are ready to assume our responsibilities towards our electors in this field;

Monetary compensatory amounts are not to be abolished for the time being. And by the way, please note the extreme discretion shown by the European Council which has just met in Paris: it made no reference to MCAs, while the entire press shared the view that the agreements concluded on MCAs were ambiguous. After all the planned reduction applies solely to the old negative amounts in France and are subject to a rise in prices of about 3.6%. But since the advantages enjoyed by German products remained unaffected, since the whole thing is being allowed to carry on for another four years and since there will be new MCAs on the top of it, it only proves that nothing has been solved! This is why, taking up the perfectly justified demands of French producers, we have tabled an amendment demanding the immediate and total dismantling of MCAs. What becomes of this amendment will largely determine the way in which we shall

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vote on the motion as a whole. We attach all the more importance to it because, I repeat, nothing has been solved. Let us make no bones about it, the Federal Republic prefers the advantages it has from MCAs to a price increase, and the remarks made on the subject by the Federal German Minister of Agriculture leave no room for doubt. In an article published on 10 March, the United Kingdom expresses its opposition to a price increase, and French agriculture thus finds itself in dire straits. The motion for a resolution as tabled accepts this situation.

Furthermore, this motion, while rejecting the Commission's proposed provisions with regard to the co-responsibility levy on milk, nevertheless ends up, by means of various superficial changes, by accepting it, and what is more, in paragraph 18 opens the way to the slaughtering of dairy cows. I would say on this point that, if the proposed measures were implemented, they would sound the death knell for tens of thousands of family holdings, since the conditions laid down by the Commission for the exemption of small producers are such that there are not many people who will satisfy them. How do you expect anyone to undertake to give up farming at 60, when agricultural pensions in France are well below 1 000 francs a month? The 25 hectare criterion is arbitrary. The smallest producers, who are taking up other work in increasing numbers, will not be by exempt either. So the way is free for the most dangerous excesses since, with the rule under which twice the levy rate is applied to any increase in production, it is easy, as shown in the report of the Committee on Agriculture, to arrive at a levy of more than 10 %.

So you can see where we are heading with the policy of austerity which is being pursued in all the countries of the Community. Because it has failed to expand the market in this economy which numbers 6 million unemployed and to which a further blow will be dealt by the current dismantling of large sectors such as the steel and textile industries, the Community institutions are forced to reduce agricultural potential. Is not the range of application proposed for the co-responsibility levy a first step towards the revision of the function of agricultural prices which was examined at Echternach at the end of October? Basically, the MCAs, the price freeze and the co-responsibility levy do indeed point the way towards this new agricultural policy with the sole aim of reducing the volume of production and, consequently, of part of our agricultural potential.

Such is the seriousness of the measures we are examining today. If the Committee on Agriculture can be criticized for not accepting all the positive proposals the Commission, for its part, can be criti-

cized for not going all the way. It also is caught up in the same European political context, i.e. in the same policy of austerity, and is reduced to putting forward nothing but superficial changes to cope with the crisis. But it is fundamental changes that we should be aiming at, and it is because the Committee on Agriculture is not doing so that it is unable to propose real solutions. This is why we shall most probably not be able to vote in favour of the report before us.

**President.** — I call Mr Méhaignerie.

**Mr Méhaignerie, President-in-Office of the Council.** — (F) Mr President, ladies and gentlemen, it gives me great pleasure to attend this debate, which will enable me to take note of Parliament's opinions and to pass them on to the members of the Council when they meet in Brussels on 26 and 27 March next.

The circumstances attending the negotiations on agricultural prices and, going beyond them, on the associated monetary problems — in fact, someone said a moment ago that agricultural policy is very sensitive to all the other developments in European policy — are rather exceptional.

Firstly, the Community's overall economic situation and the employment problems in the industrial sector make the contribution of agriculture to maintaining the economic balance particularly important. The stabilization of the rural population which is taking place in many countries is not without its repercussions on farmers' incomes, some of which have increased over the last 15 years largely owing to a relatively rapid exodus from the country. Nor is it without repercussions on the limitations and difficulties of a structural policy which were referred to by many Members. The employment situation makes this structural policy much more difficult to implement. Lastly, in the international context and in the context of the balance of trade difficulties facing the various Community countries, we must pay great attention to increasing Community exports to offset these growing imports. In this respect I recognize that, if the European Community is to play a considerable part in world trade, we must have a cautious prices policy to avoid too great a gap between Community prices and world prices.

For all these reasons I should like to thank the Committee on Agriculture for its extremely detailed report and to congratulate most particularly its rapporteur, Mr Liogier, on the considerable amount of work he has done, which is a contribution to the work of the Council of Agriculture Ministers and which I consider to be increasingly necessary if we want people throughout the Community to be better informed about the Common Agricultural Policy and if we want to avoid reinforcing the myths which do

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not make it any easier to arrive at a European consensus on the fixing of agricultural prices, which is difficult enough as it is.

I would add that, also outside this context, the Council and the Commission have in recent weeks tackled one of the Community's most important problems by trying to get rid of distortions of competition between Member States due to monetary compensatory amounts and to make progress towards restoring the unity of prices, which is a fundamental principle of the Common Agricultural Policy. The political agreement arrived at in the last few weeks represents an important step towards both restoring the unity of prices and the fixing of prices, which we hope will take place very soon.

Lastly, in its initial price proposals the Commission has for the first time advocated the freezing of agricultural prices in units of account, and I can tell from everything I have heard since the beginning of the afternoon that this will be one of the main points in our forthcoming negotiations.

In these very special circumstances, I should like first of all to take stock of the results obtained in the agri-monetary field, and then to sum up the Council's initial discussions.

Until the last meeting of the Council of Agriculture Ministers on 5 and 6 March, Community rules provided for the automatic application of monetary compensatory amounts without any dismantling mechanism — unlike the period 1969-1971 — in the case of currency fluctuations on the exchange market. This principle involved considerable disadvantages — distortions in trade, especially for certain products, the disruption of market unity by a system of export levies or subsidies, and the high cost of MCAs for the EAGGF budget. The agreement reached last week ushered in a new era for the Common Agricultural Policy in which the new monetary compensatory amounts — and I stress *new* — will be no longer the rule but the exception, and are to be phased out gradually. Furthermore, if a currency is revalued, there will be an allowance of one point which will reduce the rates of the positive MCAs applied to the agricultural trade of countries with strong currencies.

The Council has decided, in accordance with the proposals made in the working document and by the Commission — to which my special thanks go, and particularly to Mr Gundelach, for the considerable contribution it has made over the last few months towards finding a solution — to take, in its examination of prices, the measures needed to reduce certain inequalities of competition caused by the way in which MCAs are calculated.

Furthermore, eight Member States have concluded a political agreement, based on the same proposals by

the Commission to phase out the new monetary compensatory amounts over two years without lowering prices in national currencies and to make use chiefly of price rises in units of account for the dismantling of positive MCAs. I stress here that the United Kingdom's present reservations with regard to the mechanism for the rapid elimination of MCAs proposed by the Commission are not prompted by the methods of implementing this mechanism, but by a difference of opinion with the eight other Member States on future policy for agricultural prices.

With the adoption at the end of this month of the final agri-monetary technical regulations for setting up the European Monetary System, the green currency devaluations decided on in principle by the Council on 6 March last should come into force, and this will be a further step towards restoring price unity.

It is the monetary negotiations which have held up the discussion by the Council of Agriculture Ministers on price fixing, due to take place during the next few weeks. These negotiations will concentrate on two main points: the level of prices and the problems of the dairy industry.

With regard to the overall level of prices in units of account, most — I would even say almost all — of the Member States are in favour of a cautious prices policy. Only the United Kingdom, for the time being, supports a price freeze for products in surplus. The other Member States are all in favour of a more flexible prices policy in order, among other things, to pave the way, by means of a reasonable increase, for the dismantling of positive MCAs and to initiate a policy to this end with regard to stocks. I would add that the production incentive which would result from an increase in prices in units of account would be somewhat limited by the fact that the effects of such an increase would vary greatly if, at the same time, positive MCAs were dismantled for countries with strong currencies, and prices were increased at a lower rate by the dismantling of negative MCAs for countries with weak currencies.

With regard to the technicalities of the co-responsibility levy for dairy products, I believe that, since the dairy sector is such a problem for the Community, no delegation is opposed to the principle of the levy. At the present stage of the only discussion we have had on the dairy question, most of the Member States are not in favour of the levy rate being increased every three months according to the growth in production, since this would complicate the management of the market. Several countries want the levy to be progressive and dependent on the quantities of milk produced, thus benefiting those farms which use the grazing resources of the Community instead of imported raw materials.

## Méhaignerie

I think that we must find a compromise between the countries that want a flat-rate levy and those that want to promote economic efficiency, we must take account of the social problems of small farmers, the great majority of whom are not responsible for the increased production, and thirdly, we must take account of the amount of fodder crops produced or, vice-versa, the amount of imported animal feeding-stuffs. I think that we must consider these three factors in our search for a compromise, and that the levy should be to some extent progressive, even if less so than some countries hoped.

With regard to pigmeat, some countries consider it essential that the way in which MCAs are calculated be revised in order to put a stop to the present distortion of competition. The Council took a decision of principle on this, but certain countries pointed out that they had very little room for manoeuvre in this sector.

This, ladies and gentlemen, is the stage reached in all the negotiations, which, I would remind you, have not made much progress on prices, since all the discussions of recent weeks have concentrated on the dismantling of the new MCAs and the mechanisms for doing so. I would add that, in the fruit and vegetable sector, some countries had expressed their concern with regard to the reform of the regulation on fruit and vegetables and to the problem of substitute products; in this connection, the trip which Mr Gundelach is soon to make to Thailand is important and should bring a speedy solution nearer.

For my part, I should like to express my hopes for the end of the negotiations. Like the Commission, I hope that the discussion will not be drawn out, since the basically political matters we are dealing with can be the subject of a political agreement very soon. The objective which I am proposing to my colleagues — and I know that it is a difficult objective — is to arrive at a decision at the end of this month, i.e. to keep to the deadlines set at the beginning of the marketing year. However, I think that we need to decide on a reasonable but very cautious rise in prices in units of account — in the sectors where the market situation permits — in order to allow progress to be made towards the dismantling of MCAs.

Lastly, in view of everything which has been said in this House, I would add that what we need in the Community is fuller information on the discrepancies in earnings, competition and the state of competition within the Community, on the state of the regions, and on production trends, and I hope, for my part, that the Commission will keep both Parliament and the Council of Ministers supplied with material for debate so that more detailed information can be made available. I note here all the wishes expressed by Parliament with regard to land policy, structural policy or incomes policy. I should just like to make

two reservations. With regard to incomes policy, it is difficult to base the calculation of incomes solely on the number of full-time farmers in the Community; otherwise the figures for incomes within the Community show extremely wide variations which may appear serious. As for land policy, I would say that it represents an important aspect of the Common Agricultural Policy, and if the Community wants in future to take a more active part in world trade policy, it must achieve better control of its production costs. In this context, it is worrying to see what is happening to certain production costs and, in particular, to the price of land in the Community. This is a disturbing situation for the future of world food policy.

Ladies and gentlemen, I should like most especially to thank the Commission and Mr Gundelach for the difficult task they have performed in putting forward their often constructive proposals. I should once again like to thank the rapporteur, Mr Liogier, for the considerable work he has done, and I should also like to thank the Commission and hope that it will supply the Council with observations and summaries for the weeks and months to come. And I hope, ladies and gentlemen, that we shall soon arrive at fair and reasonable solutions and that, in the months and years to come more information will be available to enable us to see a better consensus on this much-debated Common Agricultural Policy.

*(Applause)*

**President.** — I call Mr Power.

**Mr Power.** — Mr President, I would like to join in congratulating the rapporteur on the excellent and comprehensive report that he has presented to Parliament today. I feel that it is a report that has, in comparison to those of previous years, emphasized a little more of the human side of agriculture, and I fully agree with the emphasis he places on the family farm.

The family farm is something to which the rapporteur and myself and indeed all members of the Group of European Progressive Democrats are deeply committed. It is after all a basic unit of society, particularly rural society. Nowhere in any other sector of society is co-operation and participation in earning a livelihood better expressed than in farming, where all the members of the family have a role to play, no matter what their age. This is something that is almost unique to farming, and I feel it is a value that we must preserve. The maintenance of the family farm has economic as well as social consequences. The importance of keeping people on the land in farming has been mentioned here today, and it is very relevant to current unemployment statistics. The flight from the land means additions to the dole queues in the cities. We are aware at the moment that we have six and a half million people unemployed in the Community.



## Power

Must we now encourage more people to join these six and a half million? Apart from our duty to maintain people on the land — it is logical to do this — we must provide our farming community with a reasonable and adequate income so that they can have the necessary encouragement to remain on the family farm.

I must voice my disapproval at the current Commission proposals which constitute the annual agricultural price review. A zero price increase does very, very little to encourage any worker to stay in an employment which involves hard work and long hours, complete commitment and, right now, a very uncertain future. Mr Christensen today welcomed the zero increase and was even unrealistic enough to look for reductions in prices. Farming is not something that you can plan from week to week, or even from year to year. Farmers must be able to see clearly ahead for three years at least and plan with this in mind, and an annual stop-go policy is unacceptable to farmers all over the Community.

Many people have a preoccupation with surplus products. Unfortunately, their attitude tends to be negative, in that they say that products in surplus must be eliminated. I can't agree with this approach of penalization and the excessive use of harsh measures. I would prefer to see a more positive approach, an approach of encouragement whereby farmers producing basic products which are not really required would be financially encouraged to produce alternative products which are in short supply.

At the moment the EEC is importing vast quantities of foodstuffs and animal feedingstuffs. Much of this we can produce ourselves and so provide employment at home and reduce our import bills. Some people are very quick to point out that we have obligations under GATT and under longstanding international trading agreements. I would like to say to these people that we are not so naïve as to expect to import quantities in excess of our own requirements, particularly in view of the fact that the EEC is the largest importer of food in the world. I would like to ask the Commission, who handled our international trading negotiations on behalf of the Community, if they really feel that their influence is so minute when it comes to negotiating our trading arrangements with third countries.

I would like to make a general comment regarding food surpluses and the generally expressed attitude to them. We live in a world where one-third of the people are born into hunger. They live their miserable lives in hunger and they die without ever getting enough to eat. We have the capacity to feed them, and yet we suppress the growing of food in many parts of the world, and it appears that we lack the will to feed those that want food. Distribution difficulties are sometimes advanced as an excuse, but I cannot accept this

excuse. In an age when we can send men into outer space we can surely send food to the needy. I wonder must politics always take priority over charity? And how is it that we cannot arrive at a decision to limit the manufacture of arms that will be used to take life although we can limit the growing of food that is so badly needed to preserve life?

Only a few years ago the Community was exporting beef to the United States and in the difficulties resulting from the international crisis in the beef sector, which was particularly felt in my own country, Community exports of beef to the United States were halted, following what seems to have been a unilateral decision by the United States. This trade was stopped when domestic beef supplies in the United States were adequate and the method used was the imposition of countervailing duties. At the moment the United States has a substantial shortage of beef and is importing vast quantities of beef from third countries. However, none of these imports are coming from this Community, and surely this is the time for the Community to renegotiate entry for its beef exports to the substantial United States market. I do know that many farmers in Ireland would welcome the re-opening of this traditional outlet to them.

The Commission has placed great emphasis on the structural aspects of the prices package this year. Unfortunately we do not have the full details of many of these proposals. And in working out the details it is important to learn from the lessons of the last few years. The need for flexibility in the farm modernization directive must be apparent to all by now. The straightlaced aspect of the directive must be eliminated so that the benefits available can be given to those farmers who really need them. Improvements are also needed in the farm retirements directive. Here, in particular, we need greater incentives to encourage older farmers to make their land available to younger farmers. And with regard to younger farmers I would wish to question the recent budgetary decision to withdraw support for the exchange of young farmers between Member States. This was a very useful exercise in the past which was very well received by the young farmers who participated. It is now considered to be a major loss to these organizations. The cost involved wasn't very high and it was a scheme with a high Community content. I would like specifically to request the Commission to reintroduce this scheme as soon as possible.

And I must say that when the plain people of the Community examine the directives that emerge from Europe and look at the farm modernization directive and the farm retirement directive and see the decision to discontinue the exchange of young farmers, they must seriously doubt if the directives are made with the good of the farming families in mind. I would suggest that those who make the directives and take decisions that impinge on the lives of many farming

## Power

families should be guided by what is best for these families.

In conclusion, Mr President, I would like to register my disappointment with the Commission's proposals for the coming year. The motion for a resolution is broadly speaking a fair enough interpretation of my view, but in particular I would like to associate myself with the final paragraph which called on the Commission to review its proposals. While I may not agree with all the paragraphs in the motion, that is one which I feel is fundamental and worthy of the support of this House.

**President.** — I call Lord Bruce to speak on behalf of the Socialist Group.

**Lord Bruce of Donington.** — Mr President, at an earlier stage there was a request made for the production of certain tape-recordings, with which, if I had been here, I would have been only too delighted to have associated myself, because of course they would reveal the extent to which individual speakers who have opposed the Commission's proposals have themselves a farming interest. Mr President, the normal supposition by the general public in these debates is that every Member of this House talks as a completely independent politician with regard to the general weal, and far be it from one to suggest anything to the contrary concerning my colleague. So lest their natural modesty may have inhibited them from mentioning it, may I therefore disclose to the House that out of the 26 speakers that are down for today, no less than 10 have a direct agricultural interest, which in my own country, Mr President, it is customary to declare in a debate when a subject is being discussed. I repeat, the modesty is very touching and reflects very great credit, and one only hopes in the future that my colleagues will be a little more emboldened to announce their interest in these matters.

This particularly applies, if I may say so, Mr President, to the speakers — Mr Soury — representing the Communist party, who of course is himself an agriculturalist or is so described in the Community publication. I must say to the House that I have very rarely listened in this place to a more cynical speech than I listened to from Mr Soury, who sought to disprove at every point, in what I will call a naked electoral speech, the very harsh logic that emanated from Commissioner Gundelach.

Commissioner Gundelach and myself, and sometimes my party, have had our differences, but I would like to go on record as saying that in my experience here we have never had a farm Commissioner with a greater degree of intellectual integrity and honesty than we have in Mr Gundelach. He is the one agricultural Commissioner who meets every question head on, who does not seek to evade and is quite frank with his observations to the House. And far from the farming community denouncing Mr Gundelach, they should,

if they had any sense whatsoever, be hailing him as their saviour. Because let us make one point absolutely clear: it is only by pursuing policies substantially on the lines enunciated by Commissioner Gundelach that the common agricultural policy itself, in which I presume the farmers of Europe have a direct interest, is in fact going to survive. At the present time, the common agricultural policy with its mountainous surpluses costing 1 500 million units of account in storage alone, lies like a dagger pointed at the heart of the future of the Community, as indeed Commissioner Gundelach has made quite clear.

I was a little amazed to listen to the President-in-Office, Mr Méhaignerie, speaking in the debate. True enough, he congratulated Commissioner Gundelach, but he saw fit to align himself in the middle of the debate, however mildly and with whatever degree of dispersant words he found it possible to use, squarely behind the policy of the rapporteur of this particular report. He gave a nod and a wink in support of a price increase in agricultural prices, and he was good enough, as indeed was his fellow-countryman, Mr Soury, to indicate the position of the United Kingdom in this matter. Well, my constituency happens to be the United Kingdom, and since the United Kingdom has been brought into the debate I am very happy to give further information on the subject. And I can tell the President-in-Office this: that with the United Kingdom being a net contributor to the Community budget to the tune of over 1 000 million units of account during the current year, and with incidentally France being a net recipient, the United Kingdom is not prepared to see this state of affairs continue. And let that be clearly marked, because this Community must work together on cooperative lines with an approximate degree of fairness of contribution amongst the Member States, for only on that basis is the Community going to succeed.

Now 75 % or thereabouts of the Community budget is spent on the EAGGF, in respect of which, if I may say this to the President-in-Office, his country is one of the principal recipients — and this is all to the good. I don't wish to deny them their net receipt in this matter, but this cannot continue. The gross proportion of the whole Community budget devoted to agriculture, the disproportionate extent of the benefits across the Member States make it quite impossible for it to continue in its existing form.

Mr Gundelach has been kind enough to indicate to us the way in which he would like to see this develop. He does not believe in any price increase during the current year. Nor do the German consumers' association — and there are other people than farmers in Europe. The German consumers' association also do not want any price increase, nor do some of the other consumers as well. So these points do have to be borne in mind. Now Mr Gundelach is well known for his desire to support the farming industry as a whole.

## Lord Bruce

He has made it quite clear what type of farming structure he would like to accomplish, and he has made it quite clear as to the nature and the extent of the additional support that ought to be afforded to the smaller and disadvantaged farmers. What he objects to, and what many of us object to, is the continuance of an agricultural policy which benefits the fatcat farmers of Europe, many of whom pay no tax, particularly, at the moment at any rate, in the Republic of Ireland; and in Germany two-thirds of them pay no tax at all, and the remaining third pay 25 %. Perhaps these matters could be brought into agricultural account.

*(Laughter)*

So, Mr President, we want an agricultural policy. We agree that there should be order in the market. We agree that there should be an intervention scheme of some kind which brings a greater measure of justice to the farmers, and which makes quite sure that the consumers get adequate supplies, at reasonable prices. All these things we agree with, but this miserable chimera which passes for a policy at the moment is not the way it is going to be accomplished. Its amendment will not be easy. It will not be accomplished for a long time, but only on the lines put forward by Commissioner Gundelach will the ultimate effect be achieved, and I hope the House will reject the report of the Committee on Agriculture.

**President.** — I call Mr Tolman to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Tolman.** — *(NL)* Mr President, because of what Lord Bruce has just said, I feel obliged to start my speech on a different note from what I intended. He found reason — no doubt with justification — to praise Mr Gundelach. He also said that Mr Gundelach was more honest than his predecessors. His predecessors were Mr Lardinois and Mr Mansholt. I do not feel I can allow this unpleasant aspersion to pass without comment. I know that the word 'integrity' can be variously interpreted, but Lord Bruce ought to make it clear what he means. Otherwise, as it stands this is an offensive remark.

*(Applause from various quarters)*

Mr Gundelach began his speech this morning by saying that this debate on agriculture was a high point of the year and was of great political importance. I hope too that at the end of the day the agricultural policy will have been somewhat vindicated. Last month Mr Jenkins made some remarks here which sounded rather harsh, and we feel that he thereby failed to do justice to agriculture. When I think of the opinion of the Committee on the Environment, Public Health and Consumer Protection, when we hear people talking about abuses and fulminating against the surpluses, it seems to me that this is not a fair and balanced approach. Those who applauded the criticism levelled at the surpluses may well be

gnashing their teeth in despair at the shortages if the situation changes.

Today, however, we are here to consult together as we do in our own parliaments. This consultation involves a certain openness. We are familiar with Mr Gundelach's plans, and with the Liogier report. And today we are here to listen to one another. I listened with great interest to the remarks made by the French Minister of Agriculture. We are not yet faced with a *fait accompli*, but I think there are two things to note at this stage.

Last year the dairy market was under the cloud of threatened changes in the intervention system. A number of speakers here have argued strongly against this measure. I expect Mr Gundelach has taken these words to heart and hope that the comments made in this House will help to ensure that this keystone is not disturbed.

Then there was talk of the possible introduction of quotas for the dairy sector. Mr Gundelach's position on this has always been clear. I think it is wise not to venture into the incalculable maze of bureaucracy that that would bring about. Last week at a farmers' congress in Brussels, however, a comparison was drawn between rich and poor farmers. And this morning Mr Gundelach too found it convenient to talk about rich and poor farmers. In my opinion, in view of the present situation in agriculture, it is wrong to employ these words in debates on agriculture. I think it would be better, if we want to make a distinction, to talk about small farmers and flourishing businesses — and fortunately thanks to the agricultural policy of the last few years, there are some of these. But some fairly large agricultural holdings are in the hands of young farmers who do not hesitate to take on debts of up to 500 000 or 1 million guilders. To the outsider they may then seem rich, but I think it would be better to talk of flourishing businesses instead of making a distinction between rich and poor farmers.

Once again, surpluses are at the centre of this debate. If anyone thinks, however, that a price freeze would lead to a fall in production, then let me say once again that they are making a big mistake. I listened carefully to the French Minister of Agriculture, who did not talk about freezing prices but about a cautious price policy that would provide the opportunity for creating a fair agricultural policy. This is a question of scrapping MCAs. Our group accepts the levies. There are a number of things like that, and I see no reason why we should not use the expression 'a cautious price policy'. However, I take the view, since we can clearly not simply ignore the surpluses, that we must apply a number of measures which we have had in hand for years but which need to be made more effective. Then we can also eliminate the imbalance between supply and demand.

**Tolman**

What has surprised me, however, is that not a word has been said about the large quantities of imports. I think it was Mr Hoffmann who quoted figures relating to trade between Europe and the United States. I am also thinking of the butter imports from New Zealand. Then there are the large imports of sugar. Each tonne of sugar we import takes the place of hectares of sugarbeet that could be grown in Europe.

I am not saying that we should actually aim at a protectionist policy in the EEC. Certainly not. But I do think that in the years to come our dairy policy, our import policy, our sugar policy and so on will have to be carefully looked at.

You said nothing about this, Mr Gundelach. I am not concerned at the moment with established trade relations or with the GATT negotiations. I think this is a question that must be tackled. Up to now there has been a gap in the discussions with regard to this, but I expect Mr Gundelach will be giving it the necessary attention.

I can well imagine that there are political factors which prevent us from making any changes with regard to sugar imports or doing much about imports of tapioca or whatever else. There may indeed be political or other reasons for this, but then you must say so. And then we must not make agriculture bear the whole burden of this policy.

Just a few brief words, Mr President, on the milk levy. In principle, we agree to this, provided it is of a temporary nature and is at a flat rate. I am amazed at the reasoning put forward here. Quite frankly, I regard this as bureaucratic nonsense. It will not work, as will become clear if it is followed through. If you are talking about the percentage of the levy, you must in addition think about the relationship between that and the price level year by year. You cannot separate one from the other.

The progressive element at present in the proposal must, I think, also be dropped. What is needed in my view is a fixed percentage — a levy, if you like, but at a fixed rate. Does that mean, if we introduce the levy on this basis, that it will have to operate continuously? I thoroughly agree with what Mr Gundelach said this morning. The revenue from this levy must not be allowed to pile up in the bank; the money must be put directly to use for the purpose for which it was collected. That, I think, is only right.

May I add one point to the proposals you have put forward? That is to say, in the Committee on Agriculture I made a proposal which was unanimously approved. In my opinion, if we are to achieve a balance in the dairy market there will also have to be a slaughtering premium for heifers. That is also in the Liogier report. This proposal was adopted unanimously. It means that a balanced dairy market can be achieved more quickly. I am thinking here in terms of

a net weight of 200 kg and a slaughtering premium of about DM 300. That seems to me to be a good starting point. I am sure Mr Gundelach will want to take this into consideration.

Mr President, in my view the Liogier report, which has been thought out with great care, is a good report. I think careful attention must be given to the closing passage, in which the Commission is asked to revise its proposals on the lines of the opinion given. I recall that last year some changes could be detected in Mr Gundelach's policy. I also attach importance to today's discussions. I expect today's useful consultations to lead to a broad revision of the proposals, as suggested in the Liogier report, which puts forward some sound ideas. That would also benefit the standing of agriculture, which has been discredited by a number of what I would regard as unjust criticisms, as the most closely integrated sector in Europe. I hope, Mr President, that this discussions may have that effect.

*(Applause on the right)*

**President.** — I call Mr Corrie.

**Mr Corrie.** — Mr President, just to clear the ground might I declare an interest, as we would do in my national parliament: I in fact am a farmer, and I would hate to think that anybody thought I was standing here speaking for my own personal interests.

I too would offer my sympathies to the Commissioner. I think he has got one hell of a job to try and do, probably the most difficult job in the Commission. His words keep ringing in my years: 'We are doomed to succeed'. But I think, Mr President, that we have got to watch that in succeeding, the actual cost does not become too great. We are faced with the fact that in almost every speech in this House today, somebody at some point has said that the CAP is not working. And it frankly is not working, Mr President. It was developed originally for the Six and it was adapted for the Nine. I still believe that the fundamental differences between the nine countries are so wide — and are getting wider — that we cannot solve national problems with an EEC blanket policy. We are going to have to face this — or others will have to, because I will be leaving this Parliament in the not-too-distant future. And I shall leave it with a heavy heart, because I thought by now, after four years, we would have found some new ideas to try to sort out the common agricultural policy.

I do not want to be a factory farmer, Mr President. I have been forced to be a factory farmer because I have had to keep increasing my output to keep my income on the level that it was at the year before. That is the way it has all gone. At the same time, in Britain the overdraft facilities from the major banks have doubled in the last two years. This is why farmers are surviving in that country. Consumer resistance is growing, and will grow even more if we go on pushing up the price

## Corrie

of our food. It comes back to the basic problem of trying to get rid of surpluses — always the negative: trying to get rid of the surplus — when in fact it would be far better if these surpluses were never produced in the first place. In some way we have got to change direction as far as the common agricultural policy is concerned. Why are we producing surpluses? Because cooperatives and national governments in all the nine countries are telling farmers: produce food, produce more food, we will buy it from you, even if we are having to put it into intervention. And we simply cannot go on down that road: we have got to change direction fairly soon.

I am a dedicated European, Mr President, but I get more and more disenchanted as I sit here and listen to speeches. As politicians in this House we are not trying to get a common agricultural policy, we are not trying to understand each other — and I say that of my own friends on this side of the House. When we stand up we seem to become nationalists; everybody starts to look after themselves and their own country. That cannot go on. We cannot go on producing food simply to put it into intervention. Surely those who do that should suffer first. We have no God-given right as farmers — and I say that as a farmer — to go on producing surplus food, and I would play my part in cutting back given the right lead.

In the dairy sector, where there is the largest problem, we are not going to sort it out by co-responsibility levies or penalties of that kind; we will only sort it out, as I have said in the Committee on Agriculture, by taking three or four million cows out of milk production on something like an eight year scheme — no less. We do not have to slaughter these cows; as was suggested this morning by the rapporteur, allow them to suckle on their mother. This cuts out the milk production, cuts the cost of feeding the calf, it does not upset the beef market, because 81% of all the EEC beef comes from the dairy herd. Beef numbers are falling at the moment, many of these farms are too small to go into cropping, so beef farming would suit them. If necessary, pay an extra headage payment for an eight year period: I say that so that once they have gone out of dairying, they have actually got to stay out of dairying for a reasonable time. In fact it would mean that farmers did not have to change their way of life that dramatically. It would in fact be an easier way of life for the farmer: no milking to do, less capital involved, no dairy equipment, less bought-in protein, lower input costs, higher profit. And if need be we could have a direct income subsidy on those farms that are not viable, that Mr Tolman, I think, spoke about. We cannot close the gap in incomes between a farmer who has two hectares and a farmer who has 400 hectares, Mr President, and there is no point in trying to do so. All we can do is to make sure that that smaller farmer has a decent income.

What has been the main bone of contention with the latest proposals? Undoubtedly the co-responsibility

levy, and my group are delighted to hear that Mr Gundelach is going to look at this situation again. The whole crux of the matter is that those who are most efficient would be punished — and I include myself amongst those people. Those people who would be punished would be encouraged to increase production. I have spoken to farmers at home and this is exactly what they have said — we would buy our way out of the problem. Those who are more efficient would be able to increase their efficiency even faster than the smaller farmer, so at the end of the day it simply would not work: we would only increase the problem. So higher co-responsibility I believe is only going to cause a bigger problem.

What I think we have got to do is go for a regional type of agriculture. We have got to produce in the regions what suits those regions: wine in the south, beef in the mountains and milk in the good pastureland. Why encourage milk production in upland areas? Why not encourage what can grow there naturally?

Mr Früh, I think it was, pointed out the difference in cost systems and cost structures in the different farms throughout the nine countries. But I would say to him: why should a British farmer pay the same levy when he gets 12p a litre for his milk? His counterpart over here can get 17p a litre, and Britain is a net importer of dairy products. Why should the British housewife pay more for her butter because it comes from a higher cost system? You will reply: because you are a Member of the EEC, you knew the rules when you came in.

But we are tearing ourselves apart as an EEC because of the CAP. You will say it is because of the problems we have with the national government at home and the national problems we have. You are absolutely right, but this still does not solve the problem. How can we call it a fair CAP when a farmer from another country can dump butter into Britain when his farm-gate price was well above that of the British farmer and yet his butter sells in the British market cheaper than the British farmer's does? Here I am being just as parochial as everybody else has been. Yet I am sure that at the end of the day, the farmers on the mainland of Europe who are sending that butter over do not want in fact to harm the incomes of the British farmer. Why should prime beef be going into intervention just now when there is a shortfall in beef production in Europe? One answer is obvious: prices are soaring so high the consumer simply cannot afford to buy. But I believe there is a second reason, though perhaps I am sticking my neck out: I believe that in many ways it is the ignorance of the housewife in her buying habits. She is being conned by the supermarkets and their heavy-weight advertising. She thinks she is getting a bargain by going to supermarkets, but she is not. Because of our way of life and the pace we lead our lives at she goes for the pre-wrapped, pre-

## Corrie

packed plastic type of food, which in fact is far more expensive than the food in the butcher's shop down the road. I think this is one of the areas that needs looking at.

It is said that if the common agricultural policy collapses the Community will also collapse. Mr President, I would say strongly that that is more likely to happen if the common agricultural policy succeeds as it is progressing just now; and we really cannot allow it to go on.

The British farmer is just not going to be in a competitive situation when the green pound distortion is so far out of line with the rest of Europe. We need a complete rethink, taking into consideration the world market and world supplies. We have become too protective and introvert, and we will only weaken our whole structure as far as the Community is concerned. I cannot get out of my mind a remark by a Member earlier on, who said: we must stop the world market upsetting the Community's agricultural market. Who exactly do we think we are, Mr President? Surely we cannot feel that we are in a situation to say that sort of thing. We cannot buy our way out of this problem. It gets more expensive and less realistic every year. We keep hearing about the problem *ad nauseam*, but nobody will face up to it. I fully agree with the Commission that we need a price freeze this year. But a price freeze simply is not going to cut production, as Mr Tolman has said. Farming is a rolling programme of about three years, and next year's programme is already planned and organized. We are really only seeing the tip of the iceberg this year. It is going to get more and more difficult from this year on, because not only is the production increasing per farm, but the production per animal is going to go on rising, as we become more efficient as farmers. So we are simply compounding the problem for years to come.

Are we going to go on having this sort of debate in this Parliament until then? Can we go on sweeping the problem under the carpet year after year at Council level as well? I think not, Mr President. What we want is positive policies to guide production; incentives on the products we need to increase; above all we need to stop this eternal cry that farmers should be encouraged to produce food at any cost, and then have to fine them for overproduction.

We have a mammoth social problem on our hands and the sooner we realize it the better. But there is a final problem. The political problems are almost as great as the agricultural ones. In trying to get a CAP, as the agricultural report shows itself, and as this debate has shown on the floor of the House today, there are problems not only between political parties, but within political parties. So when Mr Gundelach says we are doomed to succeed, I wish him well. But the political will must be there, both in the Council and in the Commission and amongst the Members on the floor of this House.

The CAP has become a sacred cow. Perhaps it is time to change the breed, Mr Commissioner — or bring in the butcher!

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

**Mr Nyborg.** — (DK) I should like to join many other speakers here today in congratulating Mr Liogier on his report which, as is usual when he is dealing with agriculture, he has produced in a masterly fashion.

I am also in favour of an average price rise of 3% since, in my view, the agricultural sector must receive a certain amount of compensation for the cost increases it has had to contend with. The Commission's proposal for a price freeze, as put forward by Mr Gundelach, would, in my view, merely lead to production being increased, at least in the case of some farms, to enable farmers to maintain their standard of living, which is what Mr Corrie has just been telling us he himself had to do when his income fell or costs rose. There was only one thing he could do, and this was to increase production.

A price freeze would therefore not have the effect which Mr Gundelach thinks and hopes it would have — at least not in the broader context. Some people might feel obliged to start producing less, but in many cases people would take the opposite course of action and increase production in order to maintain their standard of living. On another occasion, somebody — I think it was the French Minister of Agriculture — spoke about a cautious price policy and I think one could reasonably claim that this is exactly what an average price increase of 3% would be, and in my view, it would be preferable to a price freeze.

It is difficult to come to any conclusions regarding the statistics before us, since the bases used by the Commission, on the one hand, and the agricultural organizations, on the other, for working out their figures were very different. One point on which I am not entirely in agreement with the rapporteur is the question of the co-responsibility levy. I share Mr Corrie's view that the co-responsibility levy is not likely to be particularly useful and that it would be better to abolish it. On the other hand, however, if it is abolished, it must be abolished across the board and not merely in the case of a particular category of farmers since, as I see it social policy should be kept separate from the agricultural price mechanisms. Finally, a *cri de cœur* of rather more local relevance on the question of sugar. Farmers in most parts of the Community are dissatisfied with the quotas allocated and feel that it would be advisable to revise the agreements with third countries as soon as possible, since, as we surely must admit, agreements such as that with the ACP countries are to all intents and purposes development aid. Sugar producers also take the view that it is a little silly to be providing various third countries

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with sugarprocessing plants and at the same time promising to take part or even all of the sugar they produce off their hands, at the expense of the very countries providing this aid. All in all, it appears that we ourselves have for the most part created the problems facing us by the very fact of allowing imports of various agricultural products, such as butter, meat, sugar, etc., and if we had not allowed these imports we would hardly have had the surpluses which are giving us so much trouble either.

**President.** — I call Mr McDonald to speak on behalf of the Christian-Democratic Group (EPP).

**Mr McDonald.** — Mr President, I should just like to join with the other speakers in complementing the rapporteur, Mr Liogier, on his report. It is, I think, full of profound ideas on the development and improvement of agriculture in the Community. Indeed, we have had a very varied and interesting discussion today, and the one point that comes to mind is that it will never succeed if debates such as this are carried out in a black and white atmosphere, where you have on one on smoked-salmon Socialists decrying any attempt to maintain agricultural incomes, and on the other side people who are insisting on price increases whether or not the Community is able to afford them.

What I take from this that is we need a very long-term policy. This is important. Surely it cannot be a crime for farmers to produce more food and perhaps become more efficient in producing food in a world where two out of every ten people are undernourished. I think we need to take a wider look at the entire agricultural policy and I wish the Commission success. But they will have to be a little more dynamic in seeing in what way we can take a wider view of the problem and perhaps bring more forces into play. If you accept the figures that 80 % of the total budget goes to agriculture, then instead of decrying this fact we should provide a similar amount for industrial development. I think it is well within the competence of the Community to do so.

I should like, Mr President, to mention just one or two points in particular in relation to beef. I am happy to see the non-marketing beef conversion scheme will be maintained and that additional measures to stimulate specialization in beef will be proposed. In paragraph 15, Mr Liogier's report asks specifically for a scheme which would encourage suckler beef herds. I feel that this an area to which we should pay more attention if thousands of jobs are not to be lost in the beef processing factories. I think we would like it to be made easier for farmers to produce suckler beef herds and perhaps bring the incomes closer to the incomes obtainable under other forms of animal husbandry.

Now, unfortunately, the value of payments under this scheme, in my own country at least, in guiding

production is virtually nil and I would like to bring to the attention of the Commissioner the growing practice of governments in some Member States certainly in my own country and the United Kingdom of treating the grants under this scheme as taxable income and therefore operating a 35 or 50 % claw-back to the Exchequer. Surely if people are being compensated for converting from milk to beef, this should be taken as a capital investment, because they need the capital to get into the extra beef units.

Now one aspect of beef policy, not mentioned in the report, but of particular interest to my country, is that relating to intervention, and I would condemn any attempt to apply to Ireland the provision whereby intervention buying in the Member States is suspended when the market price for any one category is above the intervention price.

I would remind the House of our position in relation to beef and cattle. With a population of just 3 million people, we are the third largest exporters of beef in the world. Our domestic market is, of course, the Community: we have no domestic market of our own to fall back on, and therefore the Irish market is subject to greater variations in price than that of other Member States.

Now Irish producers must be given the protection which the intervention system was designed to provide. As far as the co-responsibility levy is concerned, I must insist on the point made by our rapporteur that this must be a temporary measure and that we must not consider it as something that automatically continues from year to year. I would here like to ask the Commission that a full report on the operation of the levy, its effect on producers and the use of the funds received be laid before this House next year and be fully debated before a proposal for the continuation or modification of this scheme is made next year.

One point that lots of people miss when they talk of the co-responsibility levy and which is shoved neatly into the background concerns the effect that this policy is going to have on manufacturing agri-business. What effect will this have on industrial jobs in the co-ops and the agricultural factories if the throughput of these places falls? Plants will become less efficient and production costs will rise. We shall certainly find more people coming to swell the ranks of the 6 million people already unemployed in the Community. I think it is reasonable and necessary to take these points into consideration. Unfortunately, I don't think in an economic community such as ours we can treat any policy area in isolation, and I hope that the Commission will consider all these points if and when it gets round to examining the possibilities of introducing a longer-term policy, so that one may counter the other.

*(Applause)*

## IN THE CHAIR : MR SCOTT-HOPKINS

*Vice-President*

**President.** — I call Mrs Kellett-Bowman.

**Mrs Kellett-Bowman.** — Mr President, most of what I would have liked to say has been covered by yourself, sir, and Mr Corrie, but there are a few points that I would like to add.

If the proposals contained in this motion for a resolution, which is, after all, what we are discussing, go through unamended, it will really be a mockery to speak of a common agricultural policy. Already we have a two-tier agriculture, with British farmers getting roughly 30 % less for their products than those in other Member States, and 40 % less than German, farmers, despite the fact that they have, of course, to pay full world prices for their imports of machinery, fuel, fertilizers, etc. Until today the Commission was proposing to make it a three-tier system by exempting small producers, of a size not found in the United Kingdom, from the milk co-responsibility levy. It was a very anti-communautaire policy to apply a price-cut, which is what the levy is, to only some Community producers and to exempt from it 30 % of the Community producers producing one-eighth of total Community dairy products. And, of course, in the report before us, it was sought to exempt even more people from the levy. Even in this new form, if I understood aright what Mr Gundelach was saying, it is still anti-communautaire, because apparently we are to have a lower flat-rate for those delivering less than a certain gallonage, and these will inevitably be high-cost and probably part-time farmers.

We accept, in my group, and I certainly accept, that it would be undesirable at this time of high unemployment — I agree here very much with Mr Power — to force small milk-producers in various countries such as Germany and France out of production, but my group believes that their support should come from some other source, from a rural fund combining parts of the Regional Fund and the Social Fund and the Guidance Section, and should not be at the expense of their fellow milk-producers in the United Kingdom, particularly when one considers that the UK is only 64 % self-sufficient in milk production. As my colleague, Mr Corrie, points out, it really is quite intolerable to charge the same levy to producers receiving vastly different prices for their milk.

Now the levy at the rate originally proposed would have roughly halved the profits of dairy producers in the United Kingdom and forced many out of business, with catastrophic repercussions on our whole farming structure and our balance of payments. (The new proposals we cannot yet assess, of course, in

new proposals we cannot yet assess, of course, in terms of profitability or viability.) And it is certainly not and I speak here as a housewife on the interests of the British housewife that British producers should go out of business, as the recent industrial unrest showed very clearly. In many ways the Channel has ceased to be either a defence or an obstacle, but when it comes to the importation of food, it is a very strong weapon in the hands of strikers, and as every housewife, particularly those in the North-West, who were very much affected in the recent industrial unrest, learnt in the recent strike. Food that is mouldering behind a picket line at the docks will not feed her family. Therefore it is essential to give the British farmer a fair and sufficient return on their effort and outlay to enable them to continue in business. The levy proposal was very unfair and did not enable them to compete on anything like equal terms with their fellow farmers in other Member States, and we await with interest the further proposals adumbrated by Mr Gundelach today.

It is of course necessary to stop the production of surpluses over and above a strategic reserve, but exempting the producers of one-eighth of the Community's milk from the full harshness of these penalties or, as is now apparently proposed, charging them at a lower rate, is certainly not the way to do it. As I say, we shall await with interest the Commissioner's reconsideration of this ill-considered levy before we make up our minds about it.

British farmers have raised their productivity over the past 15 years by 5 % a year, which is precisely twice the rate of increase in the economy as a whole, but they cannot possibly continue to do so if their profits are halved, and in some cases reduced to zero. Already in 1979, according to the Government's review of agriculture, which I have with me here, United Kingdom farmers are expected, when all the figures are in, to have suffered an income reduction of about 11 % in real terms. Is this the satisfactory evolution of real incomes to which Mr Gundelach referred this morning? The levy on top of that income reduction would be absolutely catastrophic.

Mr Liogier stated this morning that farmers should suffer no loss of income, but if this levy goes through, in whatever form, even in its new form, United Kingdom farmers will suffer a disastrous loss of income. If there is to be a levy, it must apply equally to all farmers, and must be singled out to bear the full brunt of it. As the Conservative Group points out in this amendment, which was of course drafted when the original proposal was before us, the co-responsibility levy as originally proposed is the negation of the principle of fiscal equality. It is also against the principles of the Rome Treaty, in that it fails to maintain the principles both of fair competition and of non-discrimination, and even in the new



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form, outlined this morning by Mr Gundelach, it would lead to two-tier prices which we do not regard as fair and cannot accept. I therefore hope that the House will reject this particular method of treating farmers, and give all farmers an equal chance of earning a proper living.

**President.** — I call Mr Spénale.

**Mr Spénale.** — (*F*) Mr President, we have here a subject of great importance being discussed by a small number of Members who are far from free of emotional involvement. I must say that the agricultural equation is extremely difficult, and over the past 15 years or so I have become accustomed to these impassioned debates with their clear overtones of agricultural patriotism. The Treaty is perfectly clear. Firstly, its aim was to ensure equality to agricultural producers within the Community — equality among themselves and equality by comparison with the other professional groups: what is sometimes called 'parity'. It also aimed to ensure security of Community supplies, so that consumers would be provided for and would have food at reasonable prices. How have things turned out?

With regard to the producers, given that the price-based policy is inadequate — and God knows we have been talking about structures for a long time — and in view of the fact that action has always been taken primarily via prices, it is clear — it has become a platitude — that the strong have got richer and the weak have got poorer. Mr Nyborg no longer seems to be here, but I cannot go along with him when he says that we must keep to economic questions and there is no place for social considerations. The statement that farmers must have incomes comparable with other groups is not an economic consideration, it is an economic and social consideration. I cannot accept any separation of the two problems.

What has happened is that the small farmers, despite the elimination of a large number of them and appreciable progress towards improving structures, have seen their position, in view of developments in production costs, deteriorate *vis-à-vis* both the larger holdings and other professional categories. Today, a farmer working in my country has a lower income than an unemployed worker receiving benefit. Where is the equality with other professional categories here?

The solution was to be structures. But believe me, there is today a very strict limit here. What do we mean by structures? In human terms, this is not just a question of land: it is a question of people. That means that men must leave the land — but where are they to go when there are 6 million out of work in the Community? The reason for the slow-down in structural change lies in unemployment. All the problems are still with us. For the moment, therefore, this approach has run out of steam and we must wait for better times.

Another source of inequality derives from the monetary compensatory amounts. How can we bring about equality between farm incomes in the Community when we have a compensatory amount of 10.6% in one direction in France and an MCA of 10.8% in the other direction in Germany? I in no way wish to criticize my German colleagues — I am not saying that Germany is at fault. I am just saying what the situation is. And in my view we have turned our backs completely on what were the original objectives of the Treaty of Rome. This is not to say that the Treaty is bad. We should first put it into effect, and then we would see whether it was bad or not. What we have done, however, is to turn our backs completely on the Treaty of Rome.

When the Common Agricultural Policy was instituted, my friend Guy Mollet said: 'I am very pleased with this policy because, if we keep to it, we shall have to maintain fixed parities! He was quite right. If we had kept to this policy we would have kept fixed parities. I do not know if this was possible in view of the other economic factors, but in any case the two things were linked. And once there are no longer any fixed parities, there is no longer a Common Agricultural Policy.

How are we now going to get out of this predicament? I hear various formulas being put forward and I must say, Mr Gundelach, that even a highly logical formula, which I ought to find attractive in this respect since we must first try to move towards improving supplies — obviously, it is better to reduce the surpluses and produce a little more of the things that are short, which means in this case a little less milk and a little more soya — is not necessarily the right solution, as it is not so easy to move from one thing to the other. Secondly, the surpluses have to be absorbed, but that cannot be achieved with a price policy alone. In the case of milk, if you reduce the real value of prices — and as long as you do not change them inflation will take care of that — you will increase the surpluses, for the producer will do his best to maintain his income. And in trying to maintain his income, he will produce a little more milk because he is being paid a little less. This amounts to turning one's back on the solution.

Taking the case of wine, a sound solution has been adopted to try and eliminate the surpluses: people have been encouraged to grub up their vines. But that has nothing to do with prices. It does not mean that we must reduce the income of those who continue to make wine; it means that production must be reduced by other means on the basis of other considerations.

I thus fully subscribe — unlike Mrs Kellett-Bowman — to the idea that, in so far as there are in certain sectors surpluses which can be eliminated by means of a certain policy, i.e. co-responsibility levies, this

## Spénale

co-responsibility levy must be imposed essentially on those who, while in a minority, are producing the largest surplus amounts and who, moreover, are rich in a sector which is generally poor. Anything else, whatever the formula, comes down to an attempt to defend privilege, and as a Socialist I cannot subscribe to that. I can, on the other hand subscribe to a more flexible policy which, by means of progressive rates, puts the burden of a co-responsibility policy on those who have the means and are primarily responsible for the surpluses.

There you have a number of points I wanted to make. But insofar as we do not have the benefit of a magic wand to restore at a stroke the balance between production and consumption, what is to be done about prices when there are differences, for example, of 21 % between the German and French prices? If the prices remain unchanged, we perpetuate this inequality — we still have a spread of 21 %! Everyone is agreed by now that the compensatory amounts should be phased out. You may say that this is not the Common Agricultural Policy. That is not really true, the backcloth to the situation we are discussing is the current monetary situation and if we want to return to the objectives of the Treaty of Rome, i.e. to provide all farmers in the Community with comparable incomes, we shall just have to tackle the problem of phasing out monetary compensatory amounts — ultimately I think everyone is agreed on this. But how can these compensatory amounts be phased out? By freezing prices? Reducing the compensatory amounts implies that in the countries with stronger currencies there should be no increase in prices and that in the countries with weaker currencies there should be a slight increase, so that the discrepancy is reduced. Otherwise it cannot be done. This means, then, that price increases will be granted here and there, on a flexible basis, and these will be applied to a certain extent in the countries with weak currencies but will not apply, or will only apply to a more limited extent, in the countries with strong currencies.

Consequently, I for my part cannot subscribe to the idea that everything would be solved at a stroke if we left farm prices unchanged, for this would also mean reducing the farmers' incomes in the inflationary situation we have in Europe generally. Because this agricultural equation is so difficult to solve, I am most anxious to express my thanks for the work that has been done on this dossier by the Committee on Agriculture and to congratulate Mr Liogier on his report.

I also have great sympathy for my British friends, who are always most eloquent on this question. Naturally, if you have primarily a consumer policy you do not want anything to be changed. In you come from the high seas where you got supplies at the knock-down prices, the surplus prices, which often apply on the

world market. There is no doubt that in general it costs a little more to obtain supplies within the Community.

But all in all it must be said that the Common Agricultural Policy has to a large extent achieved its third task, namely ensuring adequate supplies. This has sometimes meant higher prices and sometimes lower ones, mainly higher but sometimes lower as well. There have been times when there was a world shortage of sugar. There have been times when there was a world shortage of milk powder, and lastly the CAP has helped to regulate prices in a way which is extremely valuable. I would not, therefore, cast it aside so lightly although there is an obvious need for a reassessment — and on this point we are all agreed. Meanwhile we must, using the mechanism available to us each year — namely the procedure for fixing farm prices — take steps which make allowances for all consideration and are fair to everyone, particularly the less well-off.

Therefore, unlike Lord Bruce, I shall vote, very broadly speaking, in favour of Mr Liogier's report. Having said that, I should like to take up something Lord Bruce said which I find unacceptable. He said that Mr Gundelach was the most honest of the Commissioners responsible for agriculture that we have seen in this Parliament. Perhaps it is because he is relatively new in this House that Lord Bruce expressed this view. For my part, I knew Mr Mansholt and I can assure you that he was highly honest, sincere and courageous; I knew Mr Lardinois and I can assure you that he was highly sincere, honest and courageous. I do not wish to try and draw comparisons but if I did — and I feel free to say this since he is present — I would say that the comparison does not reflect well on Mr Gundelach, since Mr Mansholt, and Mr Lardinois never made remarks about Parliament of the kind that Mr Gundelach had the effrontery to make this morning. I know he has withdrawn these remarks and I thank him for that, but I would stress that we never had any incidents of this sort with the previous Commissioners responsible for agriculture who, like him, were men of very high calibre.

**President.** — I call Mr Pisoni.

**Mr Pisoni.** — (*I*) Mr President, listening just now to the President-in-Office of the Council thanking the Commission for the work done on fixing these farm prices, I could not help recalling the way the decisions in question had been reached.

The Commission waited for agreement to be reached within the Council before putting forward its proposals. When these proposals were finally submitted to Parliament, the Council had already taken a decision

**Pisoni**

in principle. Whatever the attitude of Parliament may be and whatever the Commission may want, the Council has already on its own account decided on all the agri-monetary measures, as well as all the measures relating to increasing or decreasing farm prices and compensatory amounts.

This means that basically we are performing a ritual which does not have much relevance in real terms to our actual ability to influence this Common Agricultural Policy.

In failing to seek a partnership with Parliament and restricting itself to waiting for the Council to reach agreement before putting forward its own proposals, the Commission is shirking its responsibilities. This amounts to entrusting all our powers to the Council, with the consequence that the powers available to the new elected Parliament will be less than those of the old one.

That said, I should just like to dwell for a moment on two amendments on compensatory amounts that I have had the honour to table. We are against compensatory amounts because they distort competition: they reward some, punish others and undermine the whole structure of the Common Agricultural Policy.

We appreciate, however, that it is impossible to eliminate them immediately, in that they are the result of an economic and monetary policy: they have arisen not as part of the agricultural policy but as a result of monetary policy. All the same, we continue to maintain that they must be phased out. For this reason I share the view — adopted in the Liogier Report — that there should be a modest increase in prices in order to reduce the positive compensatory amounts.

There must, however, be no increase in the prices of products for which there are structural surpluses. I agree with Mr Spénale that reducing prices does not reduce milk output; it is equally true, however, that the saving this would produce would enable us to move towards different policies and in particular to undertake a more profitable structural policy. This is the purpose behind one of the amendments.

The other amendment asks for the Member States with weak currencies to be allowed to reduce the period for phasing out compensatory amounts whenever this proves necessary by virtue of the agricultural or economic situation. This amendment, which provides for quicker reductions in negative compensatory amounts, is thus intended to restore normal competitive conditions as soon as possible.

To sum up, this proposal is not the salvation of the Common Agricultural Policy but it constitutes a further attempt, within the existing mechanisms, to make certain improvements. We would hope, nonetheless, that the Common Agricultural Policy will not have a boomerang effect — in other words will not be self-defeating — and to this end I would once again call on the Commission to have the courage, in close

cooperation with Parliament, to put forward proposals before the Council takes the relevant decisions.

**President.** — I call Mr Dewulf. His group has another six minutes, to be divided between him and Mr Klinker.

**Mr Dewulf.** — *(NL)* Mr President, I should first like to thank the President-in-Office of the Council of Agriculture Ministers. He saved the debate on agriculture this morning with his calm and objective speech and brought a glimmer of hope for those who, now that the European election campaign is in full swing, will be talking to the farmers and trying to prevent the farming community from losing faith in the Common Agricultural Policy. It is all very well, Mr Hughes and Mr Hoffmann, for the Socialists to strike a high moral tone here! But when Mr Liogier's motion for a resolution was under discussion in the Committee on Agriculture they walked out after the sixth vote, and the public has a right to know why. Mr Hughes said then, after the Socialist's sixth amendment had been rejected: 'I can see how things are going, our amendments don't stand a chance; we shall draw the necessary conclusions and leave the meeting.' That is what the Socialists did in committee and now, in plenary session, they have tabled 30 amendments. But they did not have the courage to defend their views in committee!

Mr Hoffmann pokes fun at the European People's Party. We at least have a programme for agriculture, which is more than the Socialists have. They have no Community programme to put forward in the election campaign. And Mr Hoffmann pours scorn on COPA. Why should farmers not organize themselves at European level? Haven't the unions done the same?

The Committee on Agriculture will presently, after this debate on prices, be discussing the Caillavet report, and there will then be a thorough exchange of views on the agricultural policy as a whole. I myself am in the process of preparing an own-initiative report which clearly brings out the international dimension of this Common Agricultural Policy. We are putting a great deal of effort into this, and you would have done better, with an eye to public opinion, to have said that Europe was still incomplete and that the Community does not yet have sufficient powers, means or authority, which is why our agricultural policy is still incomplete. It is an illusion to think that by manipulating the one instrument you have — i.e. prices — you can solve the basic problems of agriculture. And as regards inequalities in agriculture, Mr Hoffmann, perhaps we could compare the salaries of the top officials here in the Chamber with those of the women who will shortly, around midnight, have to clear up here after all our fine words. You will probably find that the proportion is 20 to 1: What has that to do with the debate on agricultural policy?

**Dewulf**

I am afraid my three minutes are up. Let me repeat once again that the directly elected Parliament will have greater difficulties than the present one, and I look forward to that: there will be dramatic debates here because, with the voice of the people behind us, we shall be able to speak with greater authority. You will have to listen more carefully and display rather more political courage!

**President.** — I call Mr Klinker.

**Mr Klinker.** — (*D*) Mr President, ladies and gentlemen, I think politics is as always, the art of the possible, and Mr Liogier has acted here as a builder of bridges to suggest ways in which the Council of Ministers can reach agreement on a reasonable solution to the question of farm prices and the further development of the agricultural policy. Herr Gundelach has not, in my view, given sufficient attention to the political side but emphasized rather the technical aspects; I expect he will have gathered from the remarks by the President-in-Office of the Council that he would be well advised to use the Liogier report as a bridge towards the Council of Ministers in order to develop from it a policy that is acceptable to the farmers and the consumers in the Community. I think it was ten years ago that Mr Mansholt put forward this same policy — that a price freeze was the only solution, and there were protests from farmers throughout Europe. I would not wish the same on Mr Gundelach, but I would appeal to the sense of realism he has so often displayed and for which he is to be congratulated, and urge him to act on the lines of the Liogier report in order, particularly now with the elections coming up, not to disappoint the farmers of Europe, as well as large sections of the European food industry. Eight point five million people are employed in agriculture in Europe, with as many again working in ancillary sectors. This must also be taken into account. The agricultural policy is the only policy which has so far been put on a Community basis, and it takes courage, Mr Gundelach, to implement it in accordance with the Treaty, without allowing one's eye for realities to be dimmed by majority decisions in the Commission or disputes in the Council of Ministers. I believe you have this eye for realities; have the courage to fight to perform the task entrusted to you, in accordance with the Treaty of Rome and with the Stresa agreements, which clearly state what you should and should not do.

**President.** — I call Mr Spénale. The Socialist Group still has 12 minutes at its disposal. This time will be shared between him and Mr Kavanagh.

**Mr Spénale.** — (*F*) I thank you, Mr President, for being so precise in counting the minutes allotted to

the Socialist Group. Would you believe that 25 minutes ago Mr Dewulf came and told me that there was no time left for his group and he asked me if we could give him some of ours. I do not know how you came to give him his six minutes, but that is what he said to me. But I never imagined that he was going to use the time he had asked for from us to attack us during a debate which has nothing to do with this kind of attack. What he was trying to say was that the European People's Party has an agricultural policy and the Socialists do not have one...

**Mr Dewulf.** — (*F*) You are out to catch votes!

**Mr Spénale.** — (*F*) ... Let me tell you that in Brussels on 14 June last year the Socialists put their signatures to a common programme outlining their ideas on agriculture. I have never said — and I would never say it, because I have retained a sense of good manners — that Mr Dewulf's party does not have an agricultural policy. I am sure their policy is excellent. We have ours, too. What does annoy me is that, in the course of a debate during which agriculture should be the sole topic, he spends his time attacking others.

**President.** — There was a small error made by the Chair in the amount of time that was left for the Christian-Democratic Group. The error was made here, not on the floor.

**Mr Spénale.** — (*F*) We should never have raised the matter if we had not been attacked!

**Mr Dewulf.** — (*F*) Mr Hoffmann started it!

**President.** — The incident is closed.

I call Mr Kavanagh.

**Mr Kavanagh.** — I would like to join, Mr President, in the general congratulations and appreciation of the rapporteur on his report. I would also like to add my words of praise and congratulation to the Commissioner and his staff for their thoughts in the price proposals. To the many people of Europe the CAP is costly, cumbersome, bureaucratic and difficult to understand. In addition, it has antagonized consumers, who far outweigh farmers numerically in the Community. Nevertheless, the CAP, for many of those people, is the EEC. Three-quarters of the total EEC budget is spent on financing the EEC agricultural policies. Indeed some years ago as much as 90% of the budget was spent on the CAP. The unfortunate absence of other effective EEC policies aimed at the real equalization of incomes and living standards has left the CAP as the principal source of income redistribution. Because the less-developed Member States have a higher proportion of farmers in their working populations, consequently the under-developed agricultural

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regions benefit from the CAP to a greater extent than the richer industrial regions. In national terms, Ireland gained most as there are proportionately more farmers there than in any other country in the Nine. Approximately one-quarter of the population is directly employed in agriculture, and indeed much of the industrial workforce is employed indirectly in agriculture as well, through industries and services such as brewing, distilling, provender milling, fertilizers and agricultural machinery. The EEC Commission itself admits that without the CAP the EEC as we know it would not exist, and I quote: 'Without an agricultural policy, it would have proved impossible to introduce the customs union which provides the economic base for the Community'.

The principle objective of agricultural policy has been the raising of farm incomes. This has had two effects. Firstly, it has reduced the income differential between the town and the country, and secondly it has resulted in a high level of agricultural output. Naturally somebody has to pay. As we know, the cost is borne in two ways: the taxpayer has to finance the system which guarantees these high prices, and the consumer must bear the cost in the form of higher food prices than would prevail under free trade with imports from non-EEC countries free of levies. But then of course these facts were well known by Denmark, Britain and Ireland before the first enlargement of the Community in 1973. That the main aim of the policy, that of raising incomes, is being achieved, can be gauged by the fact that in Ireland all farmers have benefited to the tune of 720 millions from exports and higher prices. But as the Commissioner has pointed out, the poorer farmers and small-holdings have had a disproportionately smaller share of the benefits than the larger ones. I therefore welcome the inclusion in the Commissioner's document on the price proposals the information that the Commission is actively pursuing a policy for the less-favoured regions with a large proportion of small farms. This help is in the form of direct incomes aid, and I believe this is a possible solution to the hardship situation. I can say that the Socialist Group first mooted this some years ago when it drew up its agricultural policy. And by the way, it is in marked contrast to the present Irish Government's policy of reducing its direct incomes subsidy to the small farmers in the poorer areas of the West of Ireland. I would hope that there would be no undue delay in bringing forward these proposals, because as things stand, the only way farmers can maintain their present standard of living and guard against inflation is to demand a price increase for their produce, whether it is in surplus or not. When we see the industrial workers demand wage increases of between 10 and 20% in both the UK and in Ireland, then a modest price increase being asked for by the farmers could only go some way to offset the increased costs of the inputs to farmers. I welcome at this stage the acceptance in Ireland by farmers' leaders that they must pay their fair share of the taxation burden as

other sections of the working population have to do, and that they will submit to a taxation system which will contribute to the exchequer in line with their ability to pay.

Since I became a Member of this Parliament six years ago, I have been campaigning for a sheepmeat market organization, and I welcome the request in Mr Liogier's report calling for this. In this respect I am at odds with the Group, and I find myself at odds in so many of the amendments put forward to this document from many sections of the group. Indeed I find great difficulty regarding the co-responsibility levy for the milk sector as it affects the small producer. I believe that this would be unduly harsh to him, particularly since as in most cases he cannot change to some alternative product.

May I just briefly make a mention of the reference in the Liogier report to a tax on margarine. I would oppose this tax. Since the first of January this year, the present Irish Government has removed food subsidies. This has made butter very expensive indeed, and at many of the tables in Ireland, butter has not been part of the diet for many, many people — many of the poorer sections of the Community — and I would regard a tax on margarine as attacking that poorer section of the Community, and I would hope that it would be resisted by this Parliament.

While I accept many of the arguments by Commissioner Gundelach for the ordered improvement of the CAP, I hope he will resist the very radical demands being made on him by some people in this House, which would only bring about, I believe, the total destruction of the CAP.

Once again, may I congratulate the Commissioner and the rapporteur.

**President.** — I call Mrs Squarcialupi.

**Mrs Squarcialupi.** — (I) Mr President, I will only take a minute to refer to the inaccuracies, which I hope were unintentional, on the part of politicians whom we respect and from whom we naturally expect the same degree of respect and accuracy.

Our group's views have been expressed today by two spokesmen, each of whom spoke on behalf of his own national section, as was clearly stated.

I have accepted the explanation made to me personally by Lord Bruce that this confusion was quite unintentional, but it would have been preferable for this to be explained in public by a spokesman for his group. I hope at any rate that these inaccuracies, which have occurred rather too often, will not be repeated, reminiscent as they are of electioneering attitudes which we would want to keep out of this Chamber, where there are much more important problems claiming our attention.

**President.** — I call Mr Liogier.

**Mr Liogier, rapporteur.** — (F) Mr President, I should like to thank the speakers who have so ably and with great conviction given me their support, and also those colleagues who have expressed their criticisms with a courtesy which I greatly appreciate. My thanks are due most particularly to the President-in-Office of the Council, who has made a point of attending the whole of this afternoon's sitting and has provided us, in a very calm and persuasive manner, with useful details concerning what has been happening in the Council over the past few days. Since more than 70 further amendments have been tabled since yesterday, I shall be replying to the suggestions that have been made or the questions I have been asked today when I am called upon to state my position on the amendments tomorrow evening.

Just a few words to reply to two speakers — although Mr Spénale, in this excellent speech, has himself replied in essence. Lord Bruce got rather carried away when he claimed that in Community terms, with regard to the Common Agricultural Policy, France was by a long way a net beneficiary or recipient — and that this could not be allowed to continue — while Britain, on the other hand, contributed handsomely without receiving any corresponding benefit for the 1 000 million EUA it paid to the EAGGF.

By way of reply, I would point out to Lord Bruce that France is a net exporter of agricultural produce and as such, by virtue of its negative MCAs, pays substantial levies on all agricultural exports. The United Kingdom, on the other hand, as a net importer of agricultural products receives for these products, when they enter the United Kingdom, subsidies which are even greater in that its positive MCAs are even higher.

Mr Hughes, for his part, is surprised at our calling for an import levy on manioc entering the Community — a product which is not covered by the GATT agreements — and thinks it splendid that this should cross our Community frontiers at a zero rate. I would simply reply that fortunately the farmers in the Community have not yet been reduced to the level of living on a bowl of rice three times a day. This means that there are enormous distortions of competition against which we must protect ourselves.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr President, I wish to thank all the participants in the debate for their contributions, which I have listened to with very great care and very great interest. As usual, we shall take into account the voices which have been raised here in our subsequent discussion,

which hopefully will lead within a short time to a decision on agricultural prices and related matters.

Mr Klinker said that maybe I had erred in speaking too technically, and did not say enough about the politics. I shall try and amend that particular fault in the few minutes remaining to me, even if I think I did say something of importance on the basic politics of the common agricultural policy now and in the coming years.

But before addressing myself to this I would like to answer Mr Pisoni. Even if he is not here, the answer may reach him. I have answered him in that connection in the Committee on Agriculture before, and it is important for the relationship between Parliament, Council and Commission that there is no misunderstanding here. Mr Pisoni was saying: 'Are we here discussing a situation where the Council has already decided?' That is not correct. The Council has only taken certain decisions or majority orientation on the basis of a formal proposal from the Commission, on some matters concerning monetary compensatory amounts which were discussed with this Parliament previously. On prices and related matters, such as the co-responsibility levy, the Council has taken no decision. They have taken no orientation, as Mr Méhaignerie explained. Apart from one round-table conversation some weeks ago, they have not discussed the prices at all. They have had one round-table discussion of the co-responsibility levy, which seems to indicate that the Council were inclined to accept the principle of a co-responsibility levy, but with a number of amendments concerning modalities, about which they otherwise do not totally agree as Mr Méhaignerie explained. Therefore there is no decision in the Council, and you are therefore not discussing something after the event. There is not even an orientation in the Council. Mr Méhaignerie or I may have a certain idea as to how it may develop, but there certainly is no agreement. Therefore one can't as yet, Mr Klinker, speak about using the bridge from the Liogier report to the Council, because the Council as it presents itself for me is an entity which is as yet disagreed on these critical points. To build a bridge from one firm place to another place which is as yet not firm at all is no easy task. That was one political comment.

What lies behind that? Why this 3%? Everybody around the table after all agrees that we must deal with the surpluses; we can't go on having a production which is not for a market. One can't say that this is a strength, that butter is Europe's green petrol. Butter is not green petrol — nobody wants it beyond a certain point. Let us not have illusions on that. It seems to be understood that have to curb production. In order to achieve that we have to detract somewhat from the economic attractiveness of producing certain agricultural products, in particular dairy products. It is a bit too attractive; otherwise it wouldn't be done.

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Some people tell me that if we freeze prices or introduce a co-responsibility levy, then people would produce more in order to retain the income. Of course they will not — because if their costs are not covered, they will lose income by producing more. If their costs are covered then it would appear that the Domsday reaction I have had around this hemicycle is not correct, because then the incentives would have been a bit too high. Both things can't be correct. We must decrease the incentives, and we musn't let the agricultural people live in the illusion that we can go on for ever and ever on the tax payer's money to produce more and more for which there is no market. We are asking for no more; this is not a dismantling of the common agricultural policy, it is a readjustment.

It is true that part of the attractiveness of this production, including pigmeat production, is due to the increasing imports of soya and manioc. This is by the way the only major import which is upsetting our external balance with the rest of the world. Our butter balance is not upset by the imports of 120 000 tonnes of butter from New Zealand, which we are importing for political reasons. With 1.3 million tonnes of sugar imports from the ACP countries, we still have 1.5 million which we have produced in excess ourselves. It is a burden that we have undertaken for political reasons. The real disequilibrium in our trade with the rest of the world is in the imports of feedingstuffs at a low price. But you cannot use the fact that we are importing at a low price — even lower due to the fall in the dollar — as an argument for increases in prices, because it has made production in many parts of the Community more remunerative. We cannot have it both ways. But we do need to take a very firm look at the imports of these cheap feedingstuffs because it does upset the balance inside the Community. Provided we pursue a sensible policy in regard to the pricing of our own feedingstuffs, we should proceed to alter limitations and other measures which can re-equilibrate our markets. That is the reason why, as you will have heard from the President of the Council, I will proceed to Bangkok — not in order to pass the buck onto a developing country, but to find a new *modus vivandi* in our relationship which will be in their own interests and will limit our dependency on an imported foodstuff which reduces the use of our own feedingstuffs and thereby creates an imbalance; it makes it more attractive to produce pigs in this case or milk in the case of the combination with soya. But let us not confound the issue. It is making it economically too attractive, and when that hole is plugged, don't then turn around and say: now then, due to the disappearance or limitation in one way or another of this availability, please increase prices somewhat more. Because then we shall just repeat the vicious circle.

I think the milk co-responsibility levy has to be for all — with some exceptions for the farmers who are not

adding to the milk surplus — and it is in accordance with the Treaty of Rome to take special consideration of people who have social difficulties. That, Mrs Kellett-Bowman, is what we are also doing when we speak about fishing in regard to Scotland. Why can't we do it for the small milk producers, who have no alternative? Apart from that we must have equity in the way we deal with the production of milk.

Let me correct you and Mr Corrie a little bit. Whilst agreeing that green rates probably ought to have been devalued more quickly in the United Kingdom than has been the case, I must bring attention to the fact that milk production has increased considerably in the United Kingdom, together with other parts of North Western Europe, and that therefore there is no question of any lack of equity in applying this milk tax in the United Kingdom, because part of the production increase in Europe is certainly to be found in certain areas of the United Kingdom. It is not acceptable for the Commission to be confronted with one government which is attacking structural surpluses, and at the same time issuing white books with calls for increases of 16 % or 18 % or 20 % in the production in its own country of that commodity which is in structural surplus. It is a slight provocation.

I must conclude by saying that, with all deference to the excellent work of the rapporteur, I must stand by the line I explained this morning. On the whole the Commission stands by a prudent policy — not in the form of a price freeze, because prices will be increased in devaluing currencies more than proposed by the Committee on Agriculture — but no price increase in units of account, because all the economic and political factors move in that direction.

**President.** — I note that no one else wishes to speak. The motion for a resolution will be put to the vote at voting time tomorrow, together with the amendments that have been moved.

The debate is closed.

## 8. Agenda

**President.** — Mr Fellermaier has asked for his oral question without debate (Doc. 659/78), to the Commission, on the review body set up to examine the workings of the Commission, to be held over until the April part-session.

Since there are no objections, that is agreed.

The proceedings will now be suspended and resumed at 9.00 p.m.

The sitting is suspended.

*(The sitting was suspended at 8.00 p.m., and resumed at 9.05 p.m.)*

## IN THE CHAIR : MR YEATS

*Vice-President*

**President.** The sitting is resumed.

9. *Regulations on fisheries*

**President.** The next item is the joint debate on two reports (Docs. 7/79 and 8/79) drawn up by Mr Corrie on behalf of the Committee on Agriculture on

— the proposals from the Commission to the Council for

- I. a regulation laying down for the period 1 January to 31 December 1979 certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway
- II. a regulation establishing catch quotas for 1979 for fishing by vessels flying the flag of Member States of the Community for certain stocks occurring both in the maritime waters under the sovereignty or jurisdiction of Member States of the Community and in those under the sovereignty or jurisdiction of Canada.
- III. a regulation establishing catch quotas for 1979 for fishing by vessels flying the flag of Member States of the Community for certain stocks occurring both in the waters under the sovereignty or jurisdiction of the Member States of the Community and in those under the sovereignty or jurisdiction of Norway.
- IV. a regulation establishing catch quotas for 1979 for fishing by vessels flying the flag of Member States of the Community in Kattegat for certain stocks occurring both in the maritime waters under the sovereignty or jurisdiction of the Member States of the Community and in those under the sovereignty or jurisdiction of Sweden
- V. a regulation laying down certain measures for 1979 for the conservation of fishery resources applicable to vessels flying the flag of Member States of the Community in Skagerrak and Kattegat for certain stocks occurring both in the maritime waters under the sovereignty or jurisdiction of the Member States of the Community and in those under the sovereignty or jurisdiction of Norway and Sweden
- VI. a regulation laying down for 1979 certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Sweden

— the proposal from the Commission to the Council for a

regulation amending Regulation (EEC) No 1852/78 on an interim common measure for restructuring the inshore fishing industry.

I call Mr Corrie.

**Mr Corrie, rapporteur.** — Might I just say before I start that it does seem a rather pointless exercise, Mr President, that we should break for one hour to give the staff of this Parliament and the interpreters and other staff a chance to have something to eat, and

then find that there are no canteens open in the building? It really is an impossible situation.

However, could I say that these two documents are very short. There is nothing controversial in them. They both went through the Committee on Agriculture last night, and there was only one abstention, and nobody voted against them.

The first one is simply on agreements with Norway, Sweden and Canada for reciprocal arrangements on fishing in Community waters and in the waters under the jurisdiction of those countries. I am not going to go into it in detail tonight and castigate the Commission for having let us see these documents at a very late date, because I know the Commissioner is extremely tired. Might I just ask one or two pertinent questions?

Can he tell us why owner licences for Norwegian boats are being applied in some areas and not in areas? And could he assure this House that the herring catches in the Skagerrak will not affect the North Sea stocks? And can he perhaps tell us why Norway has got increases in mackerel in the North Sea area around Shetland, when we in fact recently spoke to the Shetlanders and said that we would try and protect that area and give them as much of the fishing as possible? What are the likely by-catches in this area? Does he see any problems in policing of joint stocks where we are crossing international boundaries?

The last simple question is on whales. The EEC is not a party to the governing body on the hunting of whales. Is it not a very urgent matter that we have some say in that body, and should we not stop quotas and not allow any whales to be killed at all in our waters until we are within that body?

Turning to the second document, it is a small document on restructuring the inshore fleet, and again my opening remarks apply. What I think is important is that any future restructuring should be on a voluntary basis, that the fishermen should be given the incentive, and then if they want to they can take it up. I am pleased to see that there is an increase from five million to 15 million units of account in the appropriations.

The real worry seems to me that we are not giving help where help is required. This is going to Greenland, to Ireland, to the Mezzogiorno and even to some of the French Protectorates. But that is not the area where the real social problems are arising in the fishing industry. Does the Commissioner see hope for these areas? Because it would appear up to now that everything the Commission has done and this Parliament has passed has got blocked at Council level.

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



**Mr Prescott.** I would like to endorse what Mr Corrie said, Mr President, in not wishing to prolong this debate. I would like to put one or two things on record, though. First of all I would like, as someone who is very involved in fishing, to offer congratulations from myself and my group on Mr Corrie's work in this particular field. I am glad to say to him that a fishing conference is being held in my area on Friday and Saturday, to which the Commissioner is coming. I would like to record also my appreciation to the President of the Commission, for his assistance in getting it on the road.

This brings me to a point that is emphasized in section 1 of Mr Corrie's report — the importance of inshore fishing, particularly off Ireland, Scotland and parts of Italy. If I may be allowed to plug my own area for a second, I would point out that it has some very special problems. That is one reason why we hope the conference on Humberside will highlight the major difficulties. But I am sure we would all agree, whatever our position on this matter, that we are suffering now because there is still no agreement. I think that is something we should all bear in mind.

I should like to make a specific appeal to the Commissioner. Last week I entered into extremely difficult negotiations for the second time with an Icelandic negotiating team in an effort to get supplies of fish from areas outside the Community for Humberside. One matter that came up — and I have drawn the Commissioner's attention to this in the last twelve months, but it is particularly pertinent now — is the tariffs on certain fish, particularly plaice, coming from Iceland. Iceland is prepared to supply fish for our processing industry, but it is subject to a 15 % tariff. I know that the Commissioner showed concern some time ago about tariff barriers in connection with the GATT negotiations and I wonder if he might be able to say now whether he expects that we will be able to do something soon about reducing this tariff. After all, this protection is not confined to one industry. There is insufficient fish anyway, and any new source of supply would certainly be welcomed by all our industries. I should therefore be grateful for any hope the Commissioner might be able to offer to areas like mine in this very difficult interim period before an agreement is reached.

My group therefore welcomes this series of regulations and the prospect of agreements with third countries, especially Norway, and hopes that the Community will one day see its way to establishing a common fishing policy.

**President.** — I call Mr Klinker to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Klinker.** — (D) Mr President, I should just like to state briefly that in our view the two reports by Mr Corrie should certainly be adopted. We feel, however,

that the pace at which the entire fisheries policy is being dealt with could be stepped up somewhat, particularly by the Council. The Commission has spent long enough submitting proposals on what this policy should look like, and there is one Member State which is creating particular difficulties, and a Member from that country has just put forward his arguments — albeit very positive ones. I would advise him to try to convince the rest of his party, so that proposals which have been repeatedly made by the Commission can at last be converted into practical policy.

One more thing to be said is that the Baltic fisheries should also be included, since the negotiations with Poland, Sweden and the Baltic States particularly concern the inshore fishermen of my own country, who are also very worried. I should be very grateful to you if you would point this out in the general debate on fisheries in the Council, so that a sensible and workable decision can at last be taken. Parliament has accepted the relevant decisions and added a few proposals, so we are of the opinion that the Commission, in view of the importance of this problem, must receive every support from Parliament so that the Council at last recognizes that, in the interests of the common fisheries policy, it must now give rather less precedence to narrow national attitudes.

That is my appeal this evening. Unfortunately there are very few Members present. The Christian-Democratic Group feels, however, that Parliament could get things moving if all the Members — but especially our colleagues from the United Kingdom — were to try much harder to persuade their governments to participate at last in the efforts to push forward with the common fisheries policy.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr Chairman, I would like first and foremost to thank Mr Corrie for his reports, which, as usual, are clear and to the point, and for the speedy way in which he has dealt with these proposals. I recognize that he and the Committee on Agriculture feel that very little time was given them to consider these proposals. I regret that.

But one could maybe turn that argument around because of what had happened this year. When one is operating within a framework agreement, one has to consult and come to some agreement about the fishing with countries like the Scandinavian countries with whom we have very substantial fishing interests in common. When an agreement is concluded it has to be implemented forthwith in order to avoid losses to our fishermen who are already, as Mr Klinker has rightly pointed out, suffering from the lack of implementation of, among other things, international agreements which confer on them important fishing opportunities.

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Now in previous years one secured this rapid application by resorting to Article 103, and in an earlier debate many months ago I gave a formal commitment in this House to avoid this procedure practically at all costs, and have such matters dealt with in the proper fashion in the Parliament. But I added that in that case the Parliament must also be able to deal rapidly with urgent agreements. That is why there was so little time. But that is also why I want to thank Parliament for having honoured its part of the commitment so readily and so efficiently.

With regard to the specific comments made by Mr Corrie, I would like to answer the following: the licensing requirements simply stem from our commitments to honour our obligations towards Norway. There is no *ad hoc* arrangement; it is simply a requirement for compliance with our obligations. With regard to the effects of herring fishing in the Skagerrak on the North Sea stock, the Commission judges — and I think we are not alone in this judgement — that it will be minimal, since a winter ban on this fishing has also been agreed.

Secondly, the apparent increase — it is only apparent in the Norwegian mackerel quota in the North Sea is merely the result of an ISIS scientific recommendation that the bulk of the North Sea fisheries should take place North of 60° North and West of 2° East, i.e. in EEC waters. But Norway's share in the stock has actually been unchanged since 1978 and we therefore have a very logical situation where we can still take into account the special needs of the Shetland Islands. The House is clearly aware that I feel that the system of fishing plans already applied in Irish waters would be in their interest.

With regard to Norwegian whale fishing in EEC waters, the quota for this fishery is decided, not by the Community, but by the International Whaling Commission to which the EEC is unfortunately not yet a party. However, it is our policy to become a party. The Community, however, gains a negotiating advantage from allowing Norway to fish part of this quota in EEC waters. But the last word will not be said in this matter as soon as we join the International Whaling Commission as a Community.

With regard to structural measures, I would like to clarify the situation. When it became evident last year that we wouldn't have a fully fledged common fisheries policy — which could include a structural policy — before the end of the year, we proposed and got the Council to agree to adopt an *ad hoc* measure allocating 5 million units of account, which were for everybody, but special, though not exclusive preference to certain Italian, Irish and Scottish regions. Now when the total available is 5 million units of account, a preference can easily account for the whole amount. This year, since it was clear that — regretfully — we were not going to have a common fisheries policy at an early date in the year, we proposed — and the

Council has indicated that, at a later stage, it is prepared to accept the same philosophy for this year — a further 15 million units of account. There again, it is for everybody, but with preference for certain areas. We will have to consider maybe extending the areas. We have taken into account certain French overseas departments and we will have to consider, as indicated by Mr Corrie, whether certain islands and areas in the North of the United Kingdom should also be included as well. We have an open mind on this subject.

Now turning to Mr Prescott's concern about the situation in Hull and Grimsby which is one of declining deep-sea fishing potential: we are not dealing here with in-shore fishing help and therefore in principle these 15 million units of account are available for that purpose as well. But since it is again a limited amount of money most of it will undoubtedly go to the preference areas. But we have still, until the full fisheries policy with the structural policy is adopted, one further possibility of assisting areas like the one referred to by Mr Prescott. That is the 70 million u.a. for individual projects which the Council decided on in the context of the agricultural prices last year. It was decided that these 70 million u.a. should naturally be used predominantly for agriculture, but not exclusively — a certain amount should be used for fisheries restructuring purposes, and here there are no preference areas. It will be our policy in that context to deal with, among others, problems like the ones referred to by Mr Prescott. And I think one has to have this overall picture seeing the three sums together. We will try to distribute the money in such a way that we arrive at an even distribution, taking into account a series of different problems, be it the loss of inshore or deep-sea fishing, or be it developing new fishing possibilities in Ireland or Greenland.

To Mr Prescott's question concerning trade in fish products, we are in a situation where, due to conservation measures etc., we have to be careful to secure from third countries the necessary supplies to maintain activity in the fishing factories on land. We were anxious to deal with this subject in the context of the GATT multilateral trade negotiations, because certain concessions which would achieve this objective would nevertheless help us to get concessions on other products for our exports in these negotiations. They will, as you all know, be terminated within a matter of a few weeks. In this context fishing items are being considered and we will take into account the need of raw materials for our own fish-processing industry.

There is of course a snag to it. Concessions given in the GATT are, so to speak, forever. Once you have given them you can only take them back again if you repay. We are therefore careful not to give concessions we might regret when fish come back as a result of our conservation policy. That may not be until five, six

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or ten years from now — but sooner or later they will come back. Therefore I would say to Mr Prescott that if we find ourselves in such a situation where we cannot give long-term trade concessions but still have a deficiency of raw material — plaice or whatever it may be — for our fishing industry, then we can deal with it with tariff quotas on a year-by-year basis, as we have tried sometimes in the past. I can assure him that it will be the Commission's policy to see to it that no shortage of fish in our own waters, when they are available from third countries, should cause difficulties for the activity of our own land-based fishing industry.

Finally, Mr President, I can only echo the wishes expressed by Mr Klinker that we really must continue to work for an overall fishing policy, because as long as we do not have it, we live in great uncertainty with dangers of losses. Some have already been sustained. Difficult situations like the one he is referring to in the Baltic will continue until the Community is playing its full role and has a common fisheries policy. It is my hope that despite the difficulties which still exist in the Council, we are nevertheless moving towards one. In that context I would like to thank Mr Prescott for the initiative he has taken in convening a European conference on fishing issues in Hull at the end of this week. My experience from a similar meeting a couple of years ago was that, whilst the discussion may have been heated, it nevertheless was extremely useful, and led to second thoughts, which led to progress. I think conferences of this kind, like debates in this Parliament, are helpful to remove the difficulties which still stand in the way of a total solution in the Council. There are only in actual fact a few issues left, and with a little pressure and goodwill it should be possible in the not-too-distant future to arrive at that point.

(Applause)

**President.** — I call Mr Corrie.

**Mr Corrie, rapporteur.** — Mr President, can I thank the Commissioner for his words and I formally move that the House adopt these two reports.

**President.** — I note that no one else wishes to speak. The motions for resolutions will be put to the vote at tomorrow voting-time.

The debate is closed.

**President.** — The next item is the oral question (Doc. 661/78) with debate, by Lord Kennet, Mr Radoux, Mr Schreiber, Mrs Dahlerup and Mr Zagari, to the Commission :

Subject: Relations between the People's Republic of China and the European Community

The European Parliament has welcomed the visit by the President of the Commission to the People's Republic of China and the announcement of a date for the first meeting of the maximal committee provided for in the

trade agreement signed by the European Community and the People's Republic of China on 3 April 1978.

What is the Commission's evaluation of the results of the President's visit?

I call Lord Kennet.

**Lord Kennet.** — During the last quarter of an hour the bright television lights have been going out one by one. Fisheries is a paradigm, a prime example of a matter which has been swept under the carpet, and is now getting out to poison all our relationships. But I take leave to suppose that the relations between Western Europe and China are even more important. Whatever happens within Western Europe, whether the Community endures in its present form, whether it develops in the direction we want, or whether it even falls back into primeval disarray, there are still going to be 250 million people living here, and their economic and political relationships with the x-hundred million people living in China are going to become increasingly important as communications improve, and as the secular barriers to understanding between one end of our land mass and the other are reduced.

The importance of this I think is demonstrated — and rightly demonstrated — by the fact that the President of the Commission is willing to stay with us until a late hour to talk about it and above all, to tell us about his recent visit to Peking. On all sides — we read it in the press and see it in our own papers in this Parliament — attitudes are changing and softening and opportunities are opening up, I want to tell the Parliament about one, perhaps not quite so familiar example which strikes me very forcibly. Two or three weeks ago, an official of the Chinese Government spoke about trade between China and Taiwan. He said trade with Taiwan, which is Chinese territory, cannot be called foreign trade, but a regional interflow of goods. However, under the unusual circumstances at present, the Ministry of Foreign Trade is temporarily charged with operations in this area. There will be no tariffs for import and export, and we can trade directly. I think if we compare that with the kind of thing that was being said in Peking about Taiwan only a few years ago, we can see that the change which strikes us directly in our bilateral relationships with China is part of a far-reaching change indeed in Chinese perceptions of the world.

Mr Jenkins was in Peking during a war, and I hope that when he comes to answer this question he will be able to tell us something about whether he discussed this war with the Chinese Government; whether they asked his opinion about what ought to be done, and whether he gave it; and if so, what it was, and whether his opinion was that there should be a double withdrawal of all troops which are outside national frontiers in Indo-China — that is of both Chinese and Vietnamese troops — and, if so, what the attitude of the Chinese was to his reply. Did they seem inte-

**Lord Kennet**

rested? Was there real talk, or was everything merely formal?

To turn now to what I suppose must be our principal concern in this matter, the economic relations: we have read in the press in Europe that the Joint Commission which is foreseen under the trade agreement between the Community and China is to meet for the first time in 3 May. This is good news — there can be no dissent in any part of this House from the fact that this is good news. Perhaps the President of the Commission could tell us in a bit more detail how this Commission is to be composed on both sides. Who will be on it? Who are the Chinese putting on their half of the membership, and who is the European Community putting on their half? Will it be primarily Commission officials? Will there be persons from the private sector? Will there be ministers of government, national officials, parliamentarians of either national colour or Community colour? What will it do? How much freedom has the Commission got from the Council of Ministers to coordinate national policies in Western Europe towards trade with China? We read every day in the press of deals, the size of which — so many noughts have they — staggers the imagination. Have the institutions of the Community the right to handle those deals, to relate them to one another and to act as a point of focus, a marshalling yard, as a point of general control or as a mere observation point? What kind of rights have they been given by the Council of Ministers in the development of this potentially colossal trade and investment?

We read also of the declarations of intent from China — agreed declarations of intent on both sides, between China and France, between China and Britain, China and West Germany, or come to that, between China and the United States and China and Japan. What is the contractual back-up to these declarations of intent so far? Do contracts come through signed on the dotted line with dates and precise sums?

I am finding a lot of questions for Mr Jenkins, and I am sure that he will answer what he can. The bits that he can't answer without preparation we shall find out later and be quite content with that, but it seems good to fire all the questions in one salvo. What is the repayment policy of the Community and the Community Member States going to be? How much of the investment which our economies are invited and have willingly agreed to put into China going to be repaid in kind and how much in cash — and what kind of cash? We have read for instance of British advice on developing very modern coal mines, and when the question of repayment was raised the Chinese answer was: 'Well, in coal from the mines, of course!'. This would perhaps be the longest-hauled coal which will ever have been burnt in European power stations and

households. Will that be the pattern? If so to what extent will the experience of the Commission and Council and national governments in dealing with the buy-back problem with the Soviet Union and East European countries be reflected in their policy towards the same buyback problems when it comes to the development of the Chinese economy? There is a very valuable Commission study of most recent date of the buy-back problems in the Soviet Union and Eastern Europe. The findings of that study — it is preliminary, and may be wrong, but it looks to me pretty good — as regards some sectors, particularly the chemical industry, are somewhat sensational. The payment in kind from the chemical factories we assist the Soviet Union to set up is going to prove a most disruptive factor in our internal markets for chemical products. What steps can be taken now to avoid the repetition of this not always very well thought-out buy-back policy on capital investment in China? We must avoid that, because it is in our interests to avoid it.

There are certain things I think we must also avoid because it is in the Chinese interest to avoid them. And this is my last question to President Jenkins.

According to classical European economic theory and according to classical European economic experience, the more investment you get, the greater productivity you get, and if there is by any chance a recession in world trade or indeed in the domestic market, then the lower employment you get. China, when I was there four or five years ago, still had between 80 % and 90 % of the population on the land — a fantastic rate. If there is to be modern agri-industrial development, down to what level, down to what percentage, do the Chinese plan to take that agricultural work force? If there is to be modern industrial development, what level of productivity do they plan to go to per man employed, and what does the Commission see as the final effect on Chinese employment, and thus human happiness, of the intervention of Western capital in the enormous quantities now envisaged?

**President.** — I call Mr Jenkins.

**Mr Jenkins, President of the Commission.** — Mr President, I welcome this opportunity which the House and Lord Kennet have given me to make a brief report on my recent visit to China. In the course of doing so, I will endeavour to answer some of the questions which Lord Kennet posed to me. I think he himself recognized that to answer all of them would perhaps take a substantial time, and indeed to answer his last question, saying exactly what view I had formed about the future course of Chinese productivity, would, I think, require a more expert eye, a more detailed exploration, than I was able to apply in the course of my eight-day visit.

## Jenkins

I spent four of the days in Peking, where I had substantial talks with Chairman Hua, with Vice-Premiers Deng and Wu, with foreign minister Huang and with foreign trade minister Li. Our discussions covered the general relationship between China and the European Community, but the starting and focal point was naturally the economic reasons for which the Chinese value their friendship with the European Community and its Member States. The Chinese recognize that the Community is the largest trading entity in the world, and look forward, as they open up and expand their market, to doing at least as much business with us as with any of their other major trading partners, including Japan, even though the Japanese share of the market is at the present time substantially greater than ours.

There are, therefore, I believe, great opportunities for increasing our exports to China, a market which will probably on Chinese assumptions, so far as one can get a clear view of them, amount to about 25 to 30 billion US dollars a year by 1985, an increase over their present rate of imports of about 10½ % billion US dollars a year. Naturally, the Chinese hope and expect that there will also be opportunities for their exports in the Community, the more so as time goes on. What I think is inevitable is that there will be an opening of a trade deficit so far as they are concerned for a period. They will naturally, by some increase of the exports which they have available at the present time, like to keep that trade deficit to manageable terms, and clearly, for the future, they would like to see ways of being able to close the gap again.

I do not myself believe they will be rash borrowers. They certainly have not been in the past, and I think they will be anxious to see how, as the eighties go on and their modernization proceeds, they may be able to move into increasing new exports to us: here they look largely to their mineral wealth — not, I think, particularly to coal in this respect, but to nonferrous metals to a substantial extent. It is, I believe, greatly in our interests to pursue our economic relations with China in a way which contributes to the increase of the purchasing-power of China as one of the major markets of the world.

The Chinese programme of 'four modernizations' can, I believe, prove one of the major world economic events of the remaining years of this century — perhaps, indeed, the major economic event. It could make a major contribution to the strategy, the need for which I have frequently stressed, of developing a new historic worldwide stimulus to growth if we are to get out of our present stagnation and our present unemployment levels.

In the economic field, we discussed a number of specific issues concerning last April's framework agreement. I will summarize these briefly.

First, the first meeting of the joint committee envisaged by the agreement will begin on 3 May in Peking at high official level. Lord Kennet asked me some ques-

tions about the composition of this. The Commission team will be headed by Sir Roy Denman, the Director-General of DG I, and he will be supported by representatives of the Member States — not at ministerial but at official level — high official level so far as concerns the Commission, who will lead the team, and I have no doubt that there will be a matching team so far as the Chinese as concerned.

Second, we agreed on a business week in Brussels in 1980, bringing together on the one hand, about 100 Chinese from various parts of the country who are actively engaged in purchasing and exporting agencies and importing agencies and, on the other hand, perhaps twice or even three times as many European business executives, not just to have a general discussion but to concentrate in some detail on the main areas of our future trade. We, for instance, indicated to them that we thought we could, as far as some products were concerned, give them some useful marketing advice about their approach not only to European but to Western markets as a whole.

Third, the Chinese informed us of their intention to construct within the next two years a major trade centre in Peking with accommodation and facilities for visiting businessmen: Hotel, restaurant, meeting-room, office accommodation. We had originally thought that they had agreed to do this specifically for the Japanese, and we were therefore anxious to have a distinct and separate European presence; but their preference is not to do one for the Japanese, one for us and one for the Americans but to provide a general centre to get things done fairly quickly. Our interest is to have equal facilities, and as these seem to be assured we are satisfied with that arrangement.

Fourth, we explained the assistance which we have offered and believe could give in the fields of science and technology and in the form of scholarships, not necessarily in the scientific or the technological fields.

Fifth, on textiles, we went into some detail in explaining the difficulties which must be overcome to enable a satisfactory agreement to be negotiated. We have had three meetings in Brussels, and I hope we can get agreement in the reasonably near future. I explained to the Chinese authorities the Commission's disposition to recommend to the Council of Ministers that China be included in its generalized scheme of preferences for 1980, subject to certain exceptions for sensitive products, of which textiles are obviously one, but not indeed the only one.

More generally, it was indeed the case, as the noble Lord says, that when I was there the events in Vietnam had started. I based the views I expressed to the Chinese closely on the declaration of the Nine which had been made the day before I went, adding that that unhappy country of Vietnam had already contributed a good deal to the instability of the world over the past decade or so and I hoped that they

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would be cautious about any deep embroilment so far as that was concerned. They went out of their way to underline the limited nature of their objectives, both in space and in time, and, as the House is well aware, since I was there events have moved on.

While our discussions certainly covered world political subjects because the Chinese are very interested in world political subjects the primary object of my mission was to try and put some flesh on the bones, the useful bones, of our framework trade agreement.

I was also very struck by how well informed they were: for example, over direct elections to the European Parliament and the future functioning of the Parliament. They were particularly and favourably impressed by the prospects for the European monetary system, which they regard not merely as a positive element in the progress towards European unity but as a stabilizing factor in their trade with the Member States.

Finally, I would like in this opening reply briefly to mention to the House three qualities which seem to me to be dominant now in the Chinese attitude towards Europe: first, the enormous interest of the Chinese in the Community and in developing closed relations with us; second, the detailed information which the Chinese authorities have on Community developments; and third, their considerable openness to Europe in all senses — political, educational, technological and commercial. All this is, of course, in great contrast to traditional Chinese attitudes both before the first modern revolution in 1911 and after the second revolution in 1949. I believe the opportunities for widening and deepening our relationship are very considerable indeed.

**President.** — I call Mr Martinelli to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Martinelli.** — (*I*) Mr President, I must say that Mr Jenkins has made an exhaustive statement which offers the promising prospects for future relations between China and the Community.

The Community has approached Peking at the right moment. I do not think there are any grounds for the criticism which Lord Kennet seemed to imply in his speech that the Commission has neglected relations with China. The truth is that closer economic ties with China presented particular difficulties which are now ceasing to apply. The Community's approach to Peking has come at the right time since it coincides with the Chinese leadership's new policy of opening the country to the outside world in order to be able to carry out an ambitious industrialization programme; the Community has also put itself in a favourable position as a result of the cooperation agreement concluded last April which we are now beginning to flesh out, overcoming the difficulties and the inertia which are unavoidable in the early stages of any development.

We heard from Mr Jenkins that the work of the Joint Committee was finally to begin on 3 May. Among its many aims, this Committee is also responsible for a twice-yearly examination of the possibilities for developing trade — and despite the State-controlled character of the Chinese economy this trade is nonetheless governed — there can be no doubt about this — by the principles of a free economy. I am convinced that the 'business week' to be held in Brussels next year will allow a large number of heads of Chinese purchasing and sales organizations to get acquainted with our methods, while many European businessmen will be able to make a detailed investigation of methods relating to trade with China.

This meeting will provide an opportunity for resolving the previous difficulties regarding deliveries of manufactured products and plant on the one hand and raw materials and commodities on the other. Since Lord Kennet also referred to buy-back deals, I must say that this characteristically modern form of trade arrangement is obviously possible, although account must be taken of the difficulties this type of deal may present for the European economy. Lord Kennet mentioned the example of coal, but many others could be quoted where the effects on us would be less damaging and less problematical.

I should like to stress one point Mr Jenkins made just now. Last year Chinese imports amounted to more than 10 000 million dollars. The Community accounted for barely 15 % of this figure, but considering the enormous growth prospects in this market, in five years the volume of imports will be of the order of 25 000 million dollars.

I should also like to draw your attention to the motion for a resolution that I have tabled in this House together with Lord Bessborough and Mr Berkhouwer in order precisely to stress the desirability of establishing as quickly as possible diplomatic relations with this immense sub-continent that is China. Considering the size of the population in that country and its enormous natural resources which are to a large extent still waiting to be properly developed, I think it could prove worth while — if only at a later stage — to establish diplomatic relations of the type that the Community has with the United States.

In conclusion, I would remind you that China is the most important country in the Third World and could become one of our most important partners if the Community develops these relations with it.

**President.** — I call Lord Bessborough to speak on behalf of the European Conservative Group.

**Lord Bessborough.** — Mr President, I would like to thank Lord Kennet for raising this question, and I must say I agree very much with what he said, and

## Lord Bessborough

what Mr Martinelli said, about the buy-back prospects. I also think we must thank President Jenkins for this report on his historic visit to China, following closely on the visit of President Colombo. With these two visits the Community has shown its desire to develop a relationship with China, and that relationship should be, in my view, lasting and endowed with a clear mechanism through which people, ideas and commerce can catalyze our mutual development.

I welcome President Jenkins's conclusion that the opportunities for widening and deepening our relationship are promising. I hope that if there are Members of other groups who may still be considering how best to develop our relations with China, they will consider carefully the President's points about China's attitude to Europe. First that there is this tremendous interest which China has in developing closer relations with us. Secondly, the detailed information which the Chinese authorities have on developments in the Community I also was struck by that during my visit. Then, thirdly, the openness of China to Europe in all senses now: political, educational, technological and commercial. I welcome President Jenkins's statement that the Community's exports to China might reach 25 to 30 billion in 1985, but of course I do not know whether this is going to be achieved. The latest figures which I have received for 1978 are that China bought 1.2 billion European units of account from the Community, and the EEC bought 0.94 billion from China.

I am glad that the first meeting of the Joint Committee is to take place on 3 May this year, and I am glad that Sir Roy Denman is leading this delegation. I wish him the best of good fortune. There are different aspects to this export target. First of all, the Japanese expect to attain that target within the next year or two. This is the result of the three working parties which have been established under the umbrella of the Japan-China agreement to facilitate China's exports to Japan, principally of energy-carriers. Now if the Community hopes to obtain a major share of the China market merely by, say, tinkering with import quotas for textiles — I do not think President Jenkins mentioned this, but I know that there is work going on with regard to textiles — then I believe that hopes of a fresh, truly historic impetus to industrial revival in Europe could well be frustrated. It is for this reason that with Mr Berkhouwer for the Liberal and Democratic Group, and Mr Martinelli for the Christian-Democrats, we have tabled our motion for a resolution to terminate this debate.

China is aware that her acquisition of plant equipment and technology is so great that it could well affect the destiny of Community firms for, I think, many years to come. This is particularly true in the energy, aeronautics and electronics sectors. The Community has in China an opportunity to compete with the United States and Japan, if the Community has the will and is organized to do so.

The second paragraph of our motion calls for a standing conference as a forum in which Chinese and European representatives can conduct a dialogue on subjects of mutual interest. Now where else, Mr President, can China and the Community develop closer relations, particularly in political and educational matters, human rights and relations with the Third World?

The third paragraph calls for a joint committee of experts to be set up, and I am glad to hear the Commission is sending the delegation to Peking for the first meeting. But for comparison we should note that the first meeting of the Japan-China joint committee was convened in October 1977. It really is time for us — and I am sure the President is doing so — to show real keenness in developing economic relations with the People's Republic.

The fourth paragraph is a call by this Parliament to the chairmen of the Community leading firms to recognize that there are great opportunities for them in assisting China to prosper.

The fifth paragraph calls for the creation of working parties. We have spoken of this before. It is vital, in my view, that China should be relieved of her need to import refined materials, so that the saving on China's balance of payments can be used to purchase what China needs and cannot make herself.

Again, China might offer special investment conditions for the Community's mining companies to explore, develop and produce the metals which the Community's industries need. This is given emphasis in paragraph 6 of the motion and this might well help to limit trade deficits.

Paragraph 7 calls for the establishment of a delegation in Peking. I believe President Jenkins may be working for this. I am not quite clear from his reply whether this is going to happen. We have called for this in this Parliament on various occasions in the last two years.

The other points made in the motion by our three groups concern the necessary internal steps in preparing the Community's institutions thoroughly for the development of the Community's relations with China, and I thank Lord Kennet for having raised this matter again.

IN THE CHAIR: SIR GEOFFREY DE FREITAS

*Vice-President*

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

**Mr Brugha.** — Mr President, I would like first of all briefly to thank Lord Kennet for bringing this subject to Parliament and the President of the Commission for the information he has just given us as the result of Lord Kennet's action.

## Brugha

The signing of the agreement itself last year between the Community and China has marked a historic moment in our relations with that country and the recent visit of Mr Jenkins and the earlier visit of Mr Colombo are to be welcomed as further positive steps in the evolution of Community-China relations. We in the Group of European Progressive Democrats are very interested, and welcome the information already given by the President.

One development I would like to see being given some consideration is the setting up of a Community office in Peking. Last April I put down a written question on this subject, but I regret to say that at that time the reply was not positive.

All of us here in the West await with interest the development of trade and possibly other relations between our Community and China. One question I would like to put to Mr Jenkins is what, if any, is the relationship between a Community trade agreement with China and any other agreements between Member States and China? Are they connected? I might add that our own Minister for Commerce in Ireland is leading a trade delegation to Peking shortly.

There is no doubt that to Western eyes the Chinese economy is a rather unusual one. It would appear to be quite under-developed industrially, yet at the same time it is apparently highly developed in energy, nuclear physics and space exploration. However, the emergence of China as a world political and trading power engaging in relations with our Community may be a stabilizing factor in international relationships, improving the prospects of world stability. In that sense it is truly welcome. Mr Teng's much-publicized visit to the United States has itself been described by the Chinese as a choice for peace. The remark attributed to him by Mr Jenkins that the Community should cooperate with China, not just for economic progress but to help create a world fit to live in, in which people will have the chance to develop, is itself a notable one.

The overall aim of our Community is peace and stability in the world, and it is significant to note that Chinese leaders have said that they want Europe to play a bigger role in world affairs: If China genuinely shares our feelings and aspirations there may be better prospects to look forward to.

It does appear from what the President has been telling us that negotiations are under way which may involve some increase in the import of Chinese textiles. Now we know that China is in fact seeking an increase from the present 20 000 tonnes to 49 000 tonnes of textiles. I think it is prudent to sound a note of warning on two points. One is that we should have regard for the low cost price of Chinese textiles, and not repeat the Hong Kong and Korean imports experience which put many Community workers out of employment. Secondly we should keep a careful eye

on what has been mentioned by President Jenkins — a potential trade deficit with China. Because China, developing as she is, should become a major importer, and this could build up a significant trade deficit with the Community.

Finally, one should say that there is a tremendous difference between our way of life and life as it is lived in China. We have here complete freedom of speech — one might often describe it as freedom to be irresponsible. We also have free elections, and we haven't, at least in the Community, the danger of being detained because of our political views, whereas the contrary applies under the present Chinese government. However, I suppose one should say that the Chinese authorities of the present day have an enormous burden to deal with anyway, and one should welcome their coming involvement in world affairs, and hope that they will have a beneficial influence on the future of world relationships.

**President.** — I call Mr Dalyell.

**Mr Dalyell.** — Mr President, I had better start by confessing that I have not been to China for eight long years, unlike some Members of this House, and that was in the days when Yao Wenyuan was the political boss of Shanghai and the whole atmosphere was different. So I am in a sense out of date, and therefore I put my points in question form.

First of all, on the question of the coal mining industry, as I understand it, firms like Anderson Mavor and indeed certain firms in the Federal Republic have already very good relations with the Chinese. Is it sensible to suggest that European mining operations should actually get involved in what will be seen even now, some of us might suspect, as exploitative developments in China. I would have thought that we really are pushing our luck much too far to suggest that mining companies from the West should start becoming involved in a sort of common commercial basis in China. Things may have changed, but I really wonder if they have changed that much. I suspect that this might be deeply resented by the Chinese and we really shouldn't make these kinds of suggestions unless we are very sure that they are welcome. So I would like the President's comment on this idea that has come forward from various quarters that there should be a direct request for commercial companies from Western Europe to become involved in China. If he says that they would be welcome, that would be very interesting, but I really would have doubts.

Secondly, the President said that he hoped there would be a possibility for increasing Chinese exports to the Community. Now all of us know very well that this is highly desirable in theory, but in practice it is very difficult, because often it revolves round the textile industry, and there is no one in this House who doesn't know the problems in our own textile



**Dalyell**

areas. So I put the question a bit back. All right, the President has stated the problem about increasing the purchasing power of the Chinese and I think some of us are entitled to reply: How in concrete terms, given the situation in our own economies, do we in fact implement the pious and worth-while hope of increasing the purchasing power of the Chinese. I think this is a very real and almost intransigent problem.

Thirdly, there is the question of marketing advice to Western Europe. Those of us who have been present at incoming trade delegations from China think that they are extremely well briefed, as indeed the President of the Commission rightly found in Peking. But on the issue of marketing advice, I have no brief for them. What about the old China firms particularly in Hong Kong, firms like Jardine Mattheson? Are they, in fact, not doing a significant and, possibly, a rather fruitful though different kind of business at the present time, to the satisfaction of all partners? I am not sure that marketing advice to Western Europe can really be greatly improved, and there are other problems.

Fourthly, I would really like to ask the President what he thinks the Community should do about science and technology and scholarships, because here some of us would have thought that there is real scope for doing something on an even larger scale than at present. Some of the individual Community states do very well, others perhaps could do more.

Fifthly, I don't want to be too much of a devil's advocate, but I hope that certain things will be made clear on behalf of the Community. Some of us do have very grave difficulties about the export of arms to China. The Chinese had better understand — and I speak as one of what I call old friends — that it really would be reckless to provoke the Russians by exporting great amounts of arms to the Chinese when indeed they have these currency problems to which we have already referred.

Now on the motion for a resolution: in paragraph 4, it calls on the leaders of the various industrial sectors in the European Community to seek opportunities to associate with Chinese undertaking in the development of projects in China and calls on the European Community and the People's Republic of China to agree on a patent convention for the transfer of technology. I just want to ask a very simple question. When I went to Maoist China, they simply didn't believe in patents. Has the attitude changed? On paragraph 5: surely they have old friends among firms, and we really should be wary about establishing working parties.

Finally, on raw materials, I must repeat the general question: what demands are there in the oilfields for Chinese raw materials as such? Because if there is a question of blending oil, one can understand it, but otherwise it does seem that real problems might arise.

**President.** — I call Mr Dewulf.

**Mr Dewulf.** — *(NL)* Mr President, I should like to ask Mr Jenkins a very simple question. In relations with China, has any mention been made to date of agriculture in general? If not, does the Commission intend to raise this question at some point?

**President.** I call Mr Jenkins.

**Mr Jenkins.** *President of the Commission.* — That was a question of great simplicity and also great shortness, Mr President. It almost caught me unawares, but I am grateful for its succinctness.

*(Laughter)*

I should like to comment briefly on the debate, for the tone of which, I am very grateful to the House. Mr Martinelli raised a number of interesting points. I would like, if I may, to comment particularly on the trade week. The Chinese responded enthusiastically to this, to an extent greater perhaps than I had expected.

Perhaps I may here touch on one point Mr Dalyell made. They certainly believe that marketing advice, not necessarily on marketing in Europe purely, but on marketing in America and in all Western markets, could be of considerable advantage. And I think it is rather noticeable that the packaging and presentation of their goods is not what one is used to.

Whereas the contents may well be of greater value than what they are wrapped in, from the point of view of selling goods effectively, kow-towing to our liking for illusion in the West, is not without significance. They certainly are interested in those prospects, and in the business week, and they do not regard the traditional business methods of the old China companies as being sufficient. They are very anxious to cooperate in cooperate respect.

We certainly do not exclude a Commission office and would like to see it at some stage in the future. One is under constant pressure to open an office here. It was New Delhi this afternoon, it is Peking now, and as the House knows, there are limitations to what we can do. But we would certainly regard this as something towards which we would wish to move in the not-too-distant future, and I think the Chinese would welcome this, though they would not press for it to happen immediately.

Lord Bessboroughs' remarks: I would like to pay tribute to the great interest which he has shown in the subject for a long time, and thank him for the comments which he made this afternoon.

Mr Brugha raised in particular the question of textiles, which is a difficult issue. Mr Dalyell also spoke to some extent on this subject. We have made it clear to the Chinese that some aspects of textiles, at any rate,

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are a very difficult and sensitive problem for us, and that with the best will in the world, we cannot, in our dealings with them, endanger the arrangements which we have so delicately constructed with a great number of other suppliers over the past year, or upset our arrangements for giving temporary protection to a very sensitive and much endangered sector of our industry.

Nonetheless, this should be subject to two points. First there are certain textile exports which are not necessarily subject to these problems. Silk is a fairly obvious example, and the Chinese are strong in it. Here, the same objections do not apply. Secondly, we do have the prospect of a very big increase in our share of exports to China in the next few years, compared with the increase in their exports to us. The position is different from that with many trading partners. It was pointed out that Japan has the largest share in the \$ 10 ½ billion worth of imports into China at the present time. Japan I think last year had about 3 000, we had about 1 400 and the United States had about 600. These were the ratios, so that Japanese trade with China was just over twice as large as ours, but with an expansion of this market by between two and a half and three times, they also envisage us catching up, which would put us in the position roughly equivalent to that of Japan. That could be of very considerable benefit indeed. So we are dealing here with a big potential export market. Nonetheless, we have not left them any illusions about the problems which here apply.

So far as the joint mining exploration is concerned, I believe there is considerable scope for the selling of mining machinery. Whether it is useful to move on to new developments with European management is something to be seen in the future. There is of course a vast mining industry in China, with very low productivity at the present time. There is a coal mining force of 2 million, and the productivity is very low compared with that in Europe. There is a considerable demand for coal and a great opportunity for expanding their output in this respect.

In reply to Mr Dewulf's last question about agriculture, we did not to any significant extent discuss agricultural trade. We would not exclude it, but I do not think the Chinese see a great opportunity here for their exports to us. It is of course the case that we are engaged in negotiations for the selling of some wheat to them at the present time, on a significant but not huge scale. In view of the cost of transport etc., the heavy export refunds required to match the price at which they would be able to buy from the Australians or from the Americans, I do not see a vast development in agricultural trade, but we would certainly not exclude some development.

Broadly, I thank the House and Members very much for the contributions which they have made, and I reit-

erate the point with which I started, that we should not have illusions and believe that everything will be totally easy. China is more open, I think, in every sense, and in some senses more free, than it was when I was last there, not quite as long ago as Mr Dalyell, five and a half years ago. There is a greater sense of openness, but let us not pretend, as Mr Brugha said, that it is exactly a Western parliamentary democracy at the present time. There are considerable differences of view and there will be certain problems in our trading relationship, as with any major trading partner. But I think there is a desire on both sides to approach these in a spirit of constructive friendliness and goodwill, and I think that very substantial benefits can come to both sides.

**President.** — I call Lord Kennet.

**Lord Kennet.** — I want just, if I may, on behalf of Parliament, to thank the President of the Commission for staying with us late at night to talk about this matter. He understands the importance of it. So do some of us — including all the half-dozen who are left in the Chamber at the moment.

There is now the procedural question of the motion which has been circulated by three groups on the right of this Parliament during debate. I am afraid the record has got stuck here. I am a bit puzzled to know what is happening. This motion for an early resolution is identical, with the exception of one updating paragraph in the preamble, to a motion which was circulated by the same groups when we debated the same question one month ago.

At the time, on behalf of the Socialist Group, I described it as an interesting motion. I said we didn't quite know what to make of it. We thought it a bit cumbersome. I still find the same thing. It calls for the setting up, in addition to the mixed commission under the trade agreement, of a standing conference of representatives of China and the European Community whatever that is. It calls for the setting up of a committee of experts with representatives of the People's Republic of China. This is not the joint commission, because that is already set up. It calls for the setting up of working parties and advisory groups throughout the Community to deal with Chinese trade. It calls for three new classes of things to be set up. It may be a good idea, it may not. All this I said last time. We still don't know. It also calls for diplomatic representation of the Community in Peking. Well, really Mr President, this is just an absurd mistake. There is not even diplomatic representation of the Community in Washington or Madrid or Athens. We are not going to get it first in Peking. I said this last time too.

Well, these arguments prevailed in the Parliament last time, and when the vote came to be taken on the question of urgency, the Parliament refused to treat this as

**Lord Kennet**

an urgent motion and very correctly I think referred it for proper examination by the Committee on External Economic Relations.

Now, this very resolution is on the agenda for the meeting of the Committee on External Economic Relations next Tuesday, at which we are to begin to examine it. It has been referred to that committee by Parliament. Now suddenly the same motion comes up in identical words before the Parliament itself. I assume there has been some oversight or some mistake. It is very understandable.

In most of our national parliaments it is not in order to reintroduce a motion for a resolution which is already going through committee procedure in the same wording. You can't do that. You have to wait until it has been through the procedure. So I would ask you first of all, Mr President, is it in order to reintroduce an identical motion for a resolution? If you tell me that it is, perhaps I might have one more word?

**President.** — Lord Kennet, this will be discussed tomorrow morning. I have in fact received from Mr Martinelli on behalf of the Christian-Democratic Group (EPP), Lord Bessborough on behalf of the European Conservation Group and Mr Berkhouwer on behalf of the Liberal and Democratic Group this motion for a resolution (Doc. 6/79), with a request for an early vote pursuant to Rule 47 of the Rules of Procedure, to wind up the debate on the oral question.

The vote on the request for an early vote will be taken at the beginning of tomorrow's sitting.

**Lord Kennet.** — Mr President, I take that as a ruling that it is in order to resubmit an identical motion for a resolution to one which is already under consideration in a committee on the command of the Parliament itself. I must say I am surprised by it, but of course I accept it. I believe that this is an abuse of procedure. I don't say it is an incontinent procedure or out of order, I say it is an abuse of procedure to come up like a cuckoo clock once a month with the same wording after Parliament has taken its decision about that wording. This is what is being done, and I note that tomorrow morning we shall have an opportunity of discussing this procedure and the merits of the question of whether this cuckoo clock motion for a resolution should be given an urgent vote this month when it has already been denied it last month. On the substance of the matter, I would only say that this is an interesting motion, but there is nothing whatever in it which demands that due consideration by a committee should be cut out because of urgency. I think it is a wrong use of the procedure.

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

**11. Agricultural production costs**

**President.** — The next item is the oral question (Doc. 649/78) without debate, by Mr Soury and Mr Vitale, on behalf of the Communist and Allies Group, to the Commission:

Subject: Control of production costs in agriculture

Can the Commission provide information to Parliament on the structure of the industrial sector engaged in the manufacture of products for use in agriculture and on the structures for marketing agricultural products in the nine Community Member States?

If not, will it undertake to transmit a detailed study of this matter to Parliament as soon as possible?

What measures does it intend to take to bring about a reduction in the prices of industrial products intended for use in agriculture, to prevent speculation on the market and to base the level of agricultural prices on verified data?

— Within the limits of the powers granted to it by the Treaty of Rome, is the Commission in favour of control at national and Community level of:

1. the formation of prices of industrial products manufactured for use in agriculture by the big multinational companies,
2. the operation of marketing networks and the activities of the large food processing industries?

What steps has the Commission taken, or does it intend to take, to ensure that research and experimentation on industrial products required by agriculture take account of the public interest, the diversity of agriculture in the nine Member States and, above all, the problems specific to the poorest regions?

I call Mr Eberhard.

**Mr Eberhard.** — (*F*) Mr President, the question of production costs in agriculture is a pressing problem in the countries of the Community. The purpose of the question tabled by my comrades Soury and Vitale on behalf of the Communists and Allies Group is to stress the growing share of these costs in the value of agricultural products, which means, in other words, the progressive erosion of the wealth created by farmers. The first thing is to establish the causes of this situation. Our question refers to the prices of the industrial products needed in agriculture, which are to a large extent determined by large multinational companies. The question is whether these large companies are not taking an excessive share of the value of their products at the expense of farmers.

There is then the problem of marketing, which is also accounting for an increasing proportion of the total value. The food processing industry, for example, is worth considering on this point. Does it only play an intermediary role? We do not think so. Does it not

**Eberhard**

affect the actual structures of farm production, in particular through speculative dealing which takes advantage of the risk factor in farm production, whereas farmers in the Community, in particular in France and Italy, are generally in a very difficult situation, as was shown by today's debate on farm prices?

There is an urgent need for precise answers to these questions, for this is also a question of the future of agriculture, which is increasingly dependent on its upstream and downstream economic relations. What farmers want is to be paid a fair price for their products, and for the price at which they buy in industrial products to be fair as well, i.e. free from any speculative element. That is the purpose of our question.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** Mr President, the honourable Members have drawn attention to two questions which the Commission considers to be of great importance: First — and that is the question on which most of the emphasis has been put — the industries which sell products which are used in agricultural production. In the question reference has also been made to another side of the issue, namely what happens to agricultural products on their way from the farm, so to speak, via processing and distribution, to the consumer. They are really two different problems but nevertheless inter-related.

In regard to the first question, which takes up most of the questions laid down for the Commission, one has to bear in mind that, whilst one can easily point out a number of industries which deliver machinery and other products which are used in agricultural production, one is rarely confronted with an industry, it does happen but it is rare, which produces solely for agriculture. They usually are engaged in a number of other activities for other clients in other sectors of the economy at the same time. Furthermore, a large part of the end value of the products made by branches of industries more specifically concerned with agriculture comes from the constituent purchased from other branches or other industries for which the ultimate agricultural market is of relatively less interest. Consequently, in order to carry out the study requested by the honourable Members on the structures of the industry producing for agriculture we need detailed basic information concerning these industries, the way they are operating and how their production is divided up. Unfortunately we do not at the present time have all this necessary information. We nevertheless have already engaged in a number of studies in order at least to make more transparent the transactions and the conditions of competition which take place in this economic activity, which is obviously important for the agricultural policy.

The Commission as you know — and you referred to that in your question yourself — obviously has no authority under the Treaty for a price control function. One may regret it or one may be happy that it is not the case. I think maybe the Treaty has a slight weakness here. But that is the legal situation. What the Commission can do, and does — and it undertakes accelerated studies in order to be able to carry out this function — is to see to it that the undertakings do not by agreement or concerted practices fix unfair prices, and that undertakings occupying a dominant position do not adopt abusive pricing policies. This applies too in respect of undertakings whose products are to be used in agriculture and agri-food undertakings, like all others.

But we have a particular interest, as I said, in carrying out studies and bringing about a higher degree of transparency as to the transactions which take place in this particular area. And in this sense, within the limitations of our powers under the Treaty, the answer to the honourable Members' question is positive.

The other side of the problem was discussed on the basis of a report from the Committee on the Environment, Public Health and Consumer Protection at the last or the second-last part-session. The Commission is undertaking a number of studies of the development of prices of commodities after they leave the primary producer. It is evident to everybody that the part of the price paid by the consumer which goes to the original producer, the farmer, is becoming smaller and smaller. On an average it is probably only about 30%. The rest is taken up by distribution or processing costs, because the consumers demand products which are more and more highly developed. When we discuss agricultural prices — as we have done at great length today — we tend to overlook the fact that 60% to 70% of the consumer prices for agricultural commodities are not really involved in that type of price debate. The major part of the prices which the consumers pay are costs which are added to the product on the way from the farmer to the shops or supermarkets. We have already given an undertaking in the Committee on the Environment, Public Health and Consumer Protection — and we have repeated it here in plenary session to take an increasing interest in what happens in the way from producer to consumer. That account for a greater portion of the price paid by the consumer than the amount received by the farmer. We wish to bring as much transparency as possible into what is happening, and to use whatever powers the Commission has at its disposal to deal with any abusive practices or any speculative movements which might be unearthed by our studies.

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

12. *Tomatoes*

**President.** — The next item is the oral question without debate (Doc. 654/78) by Mr Corrie, to the Commission :

Subject : Tomatoes

1. Is the Commission satisfied that the aid programme which was designed to help the tomato growers of the European Community, has been satisfactorily implemented ?
2. Is the Commission aware that the form in which aid is given on tomato paste bears no relationship to the fruit contained in the finished product ?

I call Mr Corrie.

**Mr Corrie.** — Mr President ; would the Commissioner agree that this aid programme is of major importance to farmers who are in the tomato business, and is this an area, as I believe it is, where some positive incentive can be given to the industry ? Surely it is imperative to encourage the production of tomato paste if the market requires it and not to produce it for storage, as appears to be happening just now. Would the Commissioner agree that as the production aid is applied at the moment, it is encouraging the production of tomato paste for which there is no demand, instead of being applied, as it was intended to be, to tomato paste of higher concentration to make it competitive with imports from third countries ? If this is so, will he correct the situation ?

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr President, I quite agree with Mr Corrie that this is a very important new development in the agricultural policy, and I am glad to say that even if the scheme has only been in force for a relatively short period of time we are on the whole satisfied that the programme of aid for processing tomatoes and certain other products is being satisfactorily implemented to the benefit of all concerned — growers, processors and consumers — and, I hope, of the taxpayers as well. At all events, the problem would be worse if we hadn't implemented the scheme.

The tomato-growers in particular have the advantage for the first time of a guaranteed minimum price for the produce sold to the processors. The level of the aid which is given for these products, including tomato paste, is related to the fruit content and to the

cost of processing. As regards tomato paste specifically, the aid is fixed by reference to the most usual concentration — i.e., the paste with 28 to 30 % of dry matter content. (The dry matter content is a reflection of the amount of fresh tomatoes incorporated in the paste.) The aid is adjusted for higher and lower concentrations : more aid is paid when the dry matter content exceeds the normal 28 to 30 %, and less aid when the dry matter content is lower than this.

On the supplementary question put by Mr Corrie, I would answer that we are aware that the present arrangement is encouraging the production of low-concentration paste, because paste at 12 % concentration can benefit from the processing-aid coefficient of 20 %. As a matter of fact, we plan to change the arrangement in the next few days in order to eliminate this distortion.

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

13. *Agenda for next sitting*

**President.** — The next sitting will be held tomorrow, Thursday, 15 March 1979, with the following agenda :

*10 a.m., in the afternoon until 8 p.m. and possibly 9 p.m.*

- Decision on the request for an early vote ;
- Vote on draft supplementary estimates No 1 of Parliament ;
- Council and Commission statements on the Paris European Council, followed by a debate (until 4.30 p.m.)
- Joint debate on two oral questions to the Council and to the Commission on EMS (!) ;
- Oral question with debate to the Commission on summit meetings ;
- Oral question with debate to the Council on the CAP ;
- Oral question with debate to the Council on the protection of the Rhine against pollution agreement ;
- Logarce report on the code of conduct for Community companies in South Africa,

*4.30 p.m.*

- Voting-time ;
- QuestionTime (by way of exception, questions to the Council and Foreign Ministers).

The sitting is closed.

*(The sitting closed at 10.45 p.m.)*

## ANNEX

*Questions which could not be answered during Question Time, with written answers*

*Question No 15, by Mr Noè*

Subject: Interest in the difficulties facing craftsmen

Does the Commission not think that the difficulties experienced by small undertakings, and in particular craftsmen, should in future be given more dynamic consideration?

In this context, and in view of the present unemployment situation, what measures — or rules — is the Commission thinking of proposing to encourage such undertakings to take on more staff?

*Answer*

The Commission is aware of the problems besetting small and medium-sized undertakings, and especially craftsmen, during the present crisis.

The main point to bear in mind with regard to the work of craftsmen, in view of its micro-economic nature which is so closely linked to localized socio-economic circumstances, is that the craft industries cannot reap any direct benefit from the macro-economic measures which are typical of action at Community level.

Consequently, it is and always will be largely the responsibility of the Member States to implement specific and relevant measures for the craft industries.

In certain Member States there is a whole range of specific measures for the benefit of craft undertakings, but it must not be forgotten that the concept itself of craft industries has not been defined in the same way throughout the Community, and especially in the United Kingdom where the concept has no legal basis.

Nevertheless, in very general terms it can be said that the craft industries can benefit from what has been achieved by the Community, especially:

- opening of frontiers and elimination of barriers to trade;
- introduction of the right of establishment and the freedom to provide services;
- gradual elimination of legal barriers.

The Commission is working at two levels:

a) All proposals and initiatives are constantly reviewed from the very beginning in the light of the organization of European undertakings, the majority of which are small or craft undertakings. The Sixth Directive on a uniform basis of VAT permits Member States:

- to grant exemption from payment of VAT to undertakings with a turnover of less than 5 000 u.a.;
- periodically to adapt this figure of 5 000 u.a. in accordance with changes in the cost of living;
- to apply a degressive tariff in the case of undertakings with a small turnover exceeding 1 000 u.a.

b) With specific regard to the craft industries, the following may be mentioned:

- the Commission subsidies to the meetings of European craftsmen which are held in order to compare and to develop the qualifications required for certain trades in the various countries. Three meetings have taken place: In Munich in 1969 and 1972 in Strasbourg in 1979.
- the Commission proposal of November 1977 for the increased protection of works of art by means of Community legislation on copyright and resale rights.

In view of the challenges of all kinds facing the Community economy, it may be doubted whether a meaningful response will be forthcoming from economic sectors which are excessively fragmented.

*Question No 16, by Lord Bessborough*

Subject: Proving of nuclear fuel in fast breeder reactors.

What consultations are taking place among Member States for the proving of nuclear fuels in fast breeder reactors in the light of the reported proposal by the US Department of Energy to offer to the United Kingdom Atomic Energy Authority the use of the TREAT facility at Idaho Falls for accident simulation?

*Answer*

1. Lord Bessborough's question refers to a cooperation agreement between the United Kingdom and the USA. Under this agreement the two countries will cooperate on a programme to test nuclear fuels for fast breeder reactors. The fuels will be produced in both countries, exposed to radiation in the PFR (Prototype Fast Reactor) at Dounreay in the United Kingdom and finally subjected to safety experiments at the TREAT facility (Transient Reactor Test) in Idaho.
2. Experiments of this type are very important for the safety of fast breeder reactors, since they reveal the behaviour of nuclear fuels in extreme conditions of the kind which could arise when cooling is disrupted or as a result of an excursion.
3. It is proposed to conduct similar experiments in the Member States of the Community. France and Germany cooperated in building the CABRI reactor at Cadarache in France for this purpose. It became operational in February 1978 and the first experiments have since been carried out.

The United Kingdom, the USA and Japan are junior partners in the CABRI programme.

4. In accordance with agreements drawn up in connection with the CABRI programme, there will be an exchange of information on the results of the CABRI and TREAT programmes.
5. The Commission is not aware that outside these agreements there are any current consultations among Member States on cooperation on the proving of nuclear fuel in fast breeder reactors.

*Questions Nos 17 and 18: postponed**Question No 19, by Mr Baas*

Subject: Prevention of the spread of oak wilt disease

What steps will the Commission take to prevent the spread of oak wilt disease to the Community countries from timber imported from North America?

*Answer*

The Commission is very much aware of the risk of oak wilt disease being spread to the Community countries from timber imported from North America. The Commission is therefore preparing proposals in respect of the measures already adopted to prevent the introduction of oak wilt disease but without disturbing the timber trade unnecessarily.

*Question No 20, by Sir Derek Walker-Smith*

Subject: Community's adherence to the European Convention on Human Rights

Will the Commission make a statement as to its current position with regard to the question of the Community's adherence to the European Convention on Human Rights?

*Answer*

During the November part-session of Parliament, it was indicated to the honourable Members that the Commission intended to publish a green paper on the political and legal implications of the accession by the Community to the European Convention on Human Rights.

The Commission will examine such a paper within the next few weeks and it will then, it is hoped, be in a position to forward the green paper on this subject to Parliament and the other institutions by the end of April.

*Questions No 21 : withdrawn*

*Question No 22, by Mrs Dablerup*

Subject : Shortage of Danish interpreters

In view of the great shortage of Danish interpreters in Brussels, can the Commission explain why it stipulates that Parliament's interpreters, who perform their work in a completely satisfactory manner at meetings of the same sort as the Commission's meetings of experts, cannot be engaged in Brussels, now that there is relatively little work in Luxembourg, without having to go through a special free-lance test in Brussels?

*Answer*

The Commission is aware of the need for additional Danish interpreters and has made many efforts to secure them. We are hoping to study with Parliament the possibility of making use of the free-lance Danish interpreters whom they use and who may be available for other work. We take the view, however, that all the Commission's interpreters should match up to what we think are generally regarded as very high standards, and that these standards should also apply to free-lance interpreters wishing to undertake work for the Commission.

*Question No 23, by Mr Waurzik*

Subject : Job vacancies in the Community

Can the Commission state whether it regularly compiles statistics in this field for the individual Member States and, if so, whether these figures are made public?

*Answer*

The latest available data on job vacancies are published each month by the Statistical Office of the European Communities in its statistical telegram on unemployment (yellow series : Social Statistics). The data are also published in 'Employment and Unemployment' in the same series.

When considering these data, one must remember that the figures refer solely to job vacancies which have been notified to the relevant employment offices. These offices are not notified of all vacancies when labour is readily available (i.e. when unemployment rates are high) because undertakings can easily hire the personnel they require without having to resort to employment offices.

*Question No 24, by Mr Spicer*

Subject : Fire regulations for EEC hotels

In view of the recent report in the February edition of the United Kingdom Consumer Association's publication 'Holiday Which', will the Commission give urgent consideration to proposing draft fire regulations for EEC hotels?

*Answer*

The Commission will decide whether suitable initiatives are required at Community level in the light of the work which has been begun as a result of the Parliament resolution of 13 June 1978 and which is being carried out by a working party consisting of Commission departments, government experts and representatives of the sectors involved.

*Question No 25, by Mr McDonald*

Subject : Taxing payments

Would the Commission agree that the practice of taxing payments under the Beef Conversion Scheme as income is a contradiction of Community policy? What does the Commission plan to do to stop this practice in member countries where it exists?

*Answer*

The national practice of treating as taxable income the premia payable under the non-marketing and reconversion scheme does not, in principle, contradict Community policy for the reason that there is



no Community policy as regards the taxation of these premia, in so far as this taxation is contained in the framework of the general taxation scheme of the Member States concerned. However, the income tax burden has been eased through an amendment to the scheme introduced last year: for example, the reconversion premium used to be paid in three annual instalments, 60 % in the first year and 20 % in the third year and 20 % in the fourth year. Farmers now have the right to spread them evenly over four or five years, and this is valid also for the non-marketing premium. This results in a smaller annual instalment and may thus reduce the income tax payable on the whole amount of the premium.

Question No 26, by Mr Normanton

Subject: Aeronautical research programme

In view of the delay in Council in giving the go-ahead to the Commission's proposal for research and development in the aeronautical sector, will the Commission update the programme to include the need for the Community's aerospace industries to have a trans-sonic tunnel at their disposal?

*Answer*

The Commission shares Mr Normanton's view on the need to construct a wind tunnel for supersonic research.

However, we should first wait for the Council decision on the Commission proposal for an initial Community aeronautical research programme. These proposals for this initial research programme are still up to date and meet the requirements of the industry; they provide for financial aid for development work on helicopters and aircraft frames.

Once the Council has approved the initial research programme and thus taken the decision of principle on Community action on aeronautical research, we shall be able to consider submitting further proposals.

However, we must point out with regret that, although the necessary budgetary resources are included in the draft budget thanks to the support received from the European Parliament, the Council has as yet been unable to agree on the initial research programme. We must continue our attempts to bring about agreement in the Council.

Question No 27, by Mr Albers

Subject: Action programme to assist migrant workers

In the context of the action programme to assist migrant workers and their families, what importance does the Commission attach to ratification by the Member States of the European Community of ILO Convention 143, with special reference to Article 8, which disallows the withdrawal of residence and/or work permits following the loss of employment?

*Answer*

Convention 143 is the first international convention laying down minimum standards of protection for migrant workers in irregular situations.

These migrant workers must be entitled to 'basic human rights' (Art. 1) and 'rights arising out of past employment as regards remuneration, social security and other benefits' (Art. 9.1.), and in case of dispute, the worker must have the possibility of presenting his case (Art. 9.2.). Furthermore, as the honourable Member stresses, in the case of a migrant worker who has resided legally in the territory for the purpose of employment, the loss of his employment 'shall not in itself imply the withdrawal of his authorization of residence or, as the case may be, work permit' (Art. 8)

The Commission holds the view that Convention 143 in no way conflicts with the principles underlying the action programme to assist migrant workers and their families.

In particular, Article 8 mentioned by the honourable Member is already applied in practice to migrant from Community countries (see Article 7 of Directive 68/360 on the abolition of restrictions on movement and residence for workers).

On the other hand, bilateral agreements and national legislation apply to migrant workers from third countries.

The Commission is aware of this aspect of the problem and is currently examining both the question of the ratification of international conventions as a whole and, with special reference to Convention 143, the advisability of recommending the Member States to ratify it, since it is indeed a further step towards improving the living and working conditions of migrant workers.

*Question No 28 : postponed*

*Question No 29, by Mrs Dunwoody*

Subject : Pensions of Community Officials

To ask the Commission whether they are aware that, as a result of the introduction of new regulations relating to pensions, some former officials of the Community have been notified that the pension they will receive in future will be reduced by as much as 55 %, and if they take immediate steps to rectify this situation.

*Answer*

The Commission is aware, as the House already knows, that a small proportion of Community pensioners will see a significant reduction in the national currency value of their pensions as a result of the Council's recent decision. This is the result of the ending of major anomalies in the previous rules which have allowed those concerned to benefit enormously, thus obtaining advantages denied to those who have accepted the straightforward application of the existing rules or who live in countries whose currencies have not devalued. Apart from the limited transitional arrangements agreed to I cannot believe that this House would wish to see such distortions continue.

*Question No 30, by Sir Brandon Rhys Williams*

Subject : Comparison of Current Purchasing Power of Currencies

Will the Commission publish, on the basis of the most recent data available, a comparison of the effective purchasing power of the currencies of each of the Member States in relation to the normal current expenditure pattern of average households; and will the Commission arrange to publish a regular index of relative currency values on this basis of comparison?

*Answer*

The honourable Member has raised an important issue which has been a concern to economists and statisticians for many years. We all know that market exchange rates do not always reflect the effective purchasing powers of currencies, notably that which relates to the normal expenditure pattern of average households. However, for a number of years now the Statistical Office of the European Communities has been collaborating with other international bodies on a major project to produce internationally comparable purchasing power exchange rates. And I am pleased to inform the honourable Member that, as a result of this work, the Statistical Office has very recently been able to publish for the first time the complete set of harmonized Community national accounts on the basis of purchasing power parity exchange rates. This rather thick volume contains the detailed information requested by the honourable Member which will henceforward be published annually.

*Question No 31, by Mr Herbert*

Subject : Duty-free allowances in Member States

Is the Commission seriously considering, in this European Elections year, introducing measures to abolish duty-free allowances for travellers between the Member States?

*Answer**Question No 32, by Mr Brugha*

Subject: Mexico and oil supplies to the EEC Member States

In view of the disruption in oil supplies from Iran, which is causing harmful effects on European economies, what measures does the Commission consider necessary to guarantee oil supplies from other third countries, such as Mexico?

*Answer*

In answering your question we must distinguish between short and long-term measures. After 1973 we took measures in the European Community to cope with the consequences of short-term supply difficulties. We have a contingency mechanism which includes an allocation system for oil and provides for a 90-day emergency stock.

In the long-term, however, we in the Community must direct our efforts towards reducing our dependence on oil imports. Current events on the world oil market have once again shown that we are vulnerable with regard to both oil supplies and oil prices. Fifty percent of our total energy requirements is still covered by imported oil.

We must therefore make every effort to reduce this dependence. Internally, we must increase our efforts to save energy and to develop alternative and new sources. Externally, we should intensify our cooperation with the various groupings of oil-producing countries, as well as with developing countries. We have in fact already put forward our ideas on this subject.

Mexico is one of the important oil-producing countries with which closer cooperation could be to our mutual advantage. I therefore attach importance to intensifying the dialogue with Mexico. Our approach to this, however, should be cautious and sensible. Mexico's production potential and export policy have not yet been finally assessed and established.

I am in favour of regular consultations at expert level to exchange information on all aspects of energy supplies and of economic and monetary trends in the consumer and producer countries.

In this way mutual understanding can be promoted and decisions can be taken in full knowledge of the facts. In my view the Community should also take appropriate steps to encourage the oil companies to increase their oil prospecting activities throughout the world and to promote technological exchange and the training of specialists.

*Question No 33, by Mr Fletcher-Cooke*

Subject: Cooperation between the Council of Europe and the European Communities

What actions will the Commissions take to ensure a close cooperation with the Council of Europe and avoid overlapping of work between the Council of Europe and the European Communities?

*Answer*

1. The services of the Council of Europe and the Commission hold frequent consultations and meetings on the activities of the two institutions which are in many ways related. Representatives of the Commission attend the meetings of almost all Council of Europe committees (Comités directeurs) and are also involved in the work of many of the working parties under these committees. The Commission is currently examining how its participation in the work of the committees could be further intensified. Furthermore, the Commission makes a great deal of information on the activities of the Community available to the Council of Europe. Once a year the Commission's Secretary General attends a meeting of the ministerial delegates in Strasbourg, which is an opportunity for a constructive exchange of views, and this cooperation is further reflected in the accession of the Community to various Council of Europe Conventions.
2. However, this cooperation cannot completely exclude overlapping in individual areas. The Council of Europe and the Community, although they are both working to achieve European integration, are not in fact comparable. They differ not only in their membership, but also in their aims and methods.

*Question No 34, by Mr Spinelli*

Subject: Contributions from the Member States to the 1979 budget

How does the Commission intend to ensure that the Community budget functions correctly when three Member States are still refusing to transfer their contribution for the 1979 budget even though more than one month has elapsed since the Commission called on them to respect their obligation to do so under the Treaties?

*Answer*

The Commission stands by the position it has already taken that the 1979 Budget exists and will be executed by it.

The Commission is very conscious of the position taken by three Member States over their payments to the Community. It rapidly drew the attention of those Member States to the problems to which their behaviour gives rise.

The Commission is at present considering what further action it should take.

## SITTING OF THURSDAY, 15 MARCH 1979

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## IN THE CHAIR: MR COLOMBO

*President*

*(The sitting was opened at 10.05 a.m.)*

**President.** — The sitting is open.

1. *Approval of minutes*

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

Since there are no comments, the minutes of proceedings are approved.

2. *Decision on request for early vote*

**President.** — The next item is the motion for a resolution (Doc. 6/79), tabled by Mr Martinelli on behalf

of the Christian-Democratic Group (EPP) Lord Bessborough on behalf of the European Conservative Group and Mr Berkhouwer on behalf of the Liberal and Democratic Group, requesting an early vote pursuant to Rule 47 (5) of the Rules of Procedure to wind up the date on the oral question on relations between the People's Republic of China and the European Community.

I call Lord Bessborough.

**Lord Bessborough.** — Mr President, as one of the authors of the resolution, I would like to say that, as you are probably aware a similar resolution was put to this House on the Friday of the last part-session when very few of the members of our three groups could be present. The resolution was voted on then and lost by two votes. It has now been resubmitted because — I think I am right in saying this and Mr Berkhouwer and Mr Martinelli will support me — we worked hard on it and we still maintain the various proposals in the resolution. I know, of course, that the Socialists

### Lord Bessborough

quite reasonably — and I accept this from Lord Kennet — wanted more time to look at it. But we do feel that, as the relations with the People's Republic of China are now going ahead, this is the right moment to adopt the resolution. We were very glad to hear from the President of the Commission yesterday that he is going ahead with one of our main proposals, which was the setting up of the Joint Committee.

Therefore, Mr President, I should like to propose that we take the decision to vote on this resolution this afternoon, and I hope that it will be adopted.

**President.** — I call Lord Kennet for an explanation of vote.

**Lord Kennet.** — This resolution was introduced at 10 o'clock last night, and it is identical with a resolution which was before the last part-session of the Parliament. Lord Bessborough has just said that the resolution last time was lost by two votes. Mr President, this is not correct. What was lost by two votes was the request for an early vote on that resolution. That resolution was remitted by the Parliament to the appropriate committee. It is now before that committee which will discuss it on Tuesday of next week.

As far as I know, it is unprecedented, and in my submission it is certainly incorrect, to reintroduce an identical motion at the next part-session while a committee consideration called for by the whole Parliament is in progress. For that reason I would like to ask the Assembly to reject the proposal for an early vote on this resolution, which is now before us for the second time. Mark, this is not opposition to its content, only to an early vote. I should like this resolution to be remitted once more, as it was remitted one month ago, to the appropriate committee. It contains much valuable and complicated matter which ought not to be accepted without investigation and discussion.

**President.** — I call Mr Fellermaier for an explanation of vote.

**Mr Fellermaier.** — (D) Mr President, I should like to point out that, pursuant to the Rules of Procedure, it is quite impossible to have a vote. There cannot be a vote on anything which is due to be considered by the Committee for External Economic Relations. It would be remarkable example of parliamentary procedure if the House were asking the committee to consider this motion for resolution and to deliver an opinion on it, while at the same time as the text was being considered in committee the motion was being discussed here in the House. The committee's work would be pointless, and in my view justice would be done to this important issue of the Community's relations with China — in consideration, too, of the

report by Mr Jenkins — in a different form, if all the groups were to contribute their expertise to the discussions in the Committee on External Economic Relations. A final, carefully considered and balanced motion could then be submitted to the House. Consequently, I appeal to the Members who tabled this motion not to insist on an early vote.

**President.** — I put to the vote the request for an early vote.

The request for an early vote is adopted.

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

### 3. Draft supplementary estimates No 1 of Parliament for 1979 (vote)

**President.** — The next item is the vote on the motion for a resolution contained in the *Ripamonti report (Doc. 641/78) as amended by Mr Ripamonti's supplementary report (Doc. 683/78): draft supplementary estimates No 1 of Parliament for 1979.*

On the supplementary report, I have Amendment No 1, tabled by Mr Adams :

- The amendment proposed in (b) — breakdown of posts — to be amended as follows
- delete the A1 posts (deputy directors-general) in the 4th, 5th, and 7th indents
- amend the figure 188 (a) to 185 accordingly.

What is Mr Ripamonti's position ?

**Mr Ripamonti, rapporteur.** — (I) Mr President, the Committee on Budgets has approved the supplementary report, and I am therefore against the adoption of Mr Adams' Amendment No 1.

**President.** — I call Mr Adams for an explanation of vote.

**Mr Adams.** — (D) Mr President, ladies and gentlemen, I tabled his amendment for three reasons. Recently we have so often discussed the problem of what is left for this Parliament to do and what the new Parliament should do. Firstly, I think that if there is anything that the new Parliament should decide from the very outset, it is the matter we are just about to vote on. Secondly, I feel that if we agree to these three A 1 posts, the structure of posts in the European Parliament will be completely upset. And thirdly, it is in my view impossible for a deputy director-general to be placed in the same category as a director-general. For these three reasons I would ask the House to vote for the amendment.

**President.** — I call Mr Klepsch for an explanation of vote.



**Mr Klepsch.** — *(D)* Mr President, I should just like to make two remarks on the voting. I protest at this departure from the normal procedure, since in yesterday's budget debate each Member had an opportunity to put forward his arguments and to move his amendments. By introducing a practice whereby explanations of vote take the place of participation in the debate, we are creating an instrument which threatens to invalidate the voting practice which we have agreed on in the House. I trust it will not happen again. I should like to make this point most emphatically; in yesterday's debate everyone expressed his point of view.

**President.** — I put Amendment No 1 to the vote. Amendment No 1 is rejected.

I call Mr Pistillo for an explanation of vote on behalf of the Communist and Allies Group.

**Mr Pistillo.** — *(I)* Mr President, I should just like to state very briefly that the Communist and Allies Group considers that the motion for a resolution tabled by Mr Ripamonti contains a number of positive elements. We have already had the opportunity to express our opinion elsewhere and now wish to confirm it.

This does not mean that we do not have reservations on some sections of the motion for a resolution, reservations which we have also expressed elsewhere, but which we should like to raise again here. I shall not list them all, but would simply say, as an example, that in one important sector — e.g. research — it would in our view have been useful, if not necessary, to put forward specific proposals for its reorganization, strengthening and renewed efforts. None the less, we consider — I repeat — that the motion for a resolution is on the whole positive and shall vote for it, thus expressing our agreement with its basic content.

**President.** — I call Mr Lange for an explanation of vote.

**Mr Lange, chairman of the Committee on Budgets.** — *(D)* Since decisions have been taken on the breakdown of posts which are contrary to what was originally agreed, I am unable to vote for this budget. It may seem strange for the chairman of the Committee on Budgets to make such a statement, but I shall not in fact vote against the budget because there are a few other things in this report which have a bearing on the directly elected Parliament's ability and need to do its job properly. But I cannot possibly vote for it, because the original agreement on the personnel section has not been kept and because of the structural, and thus qualitative changes which have already been made.

**President.** — I put to the vote the motion for a resolution as a whole and as amended by the supplementary report.

The resolution is adopted.<sup>1</sup>

#### 4. Council and Commission statements on the European Council in Paris (followed by debate)

**President.** — The next item is the statements by the Council and the Commission of the European Communities on the European Council held in Paris on 12 and 13 March 1979, followed by a debate.

I call Mr François-Poncet.

**Mr François-Poncet, President-in-Office of the Council (F)** — Mr President, before speaking to Parliament of the work of the meeting of the European Council held in Paris last Monday and Tuesday, I should like to extend to you, in my capacity as President-in-Office of the Council and also in personal capacity, my heartiest congratulations on your re-election as President of the European Parliament. When Parliament called you to helm two years ago, it was acknowledging your great talents as a statesman and also, I think, the important contribution you have made to the construction of Europe in the various high positions you have held in Italy.

I am delighted — and I believe I am speaking for everyone here — to see a man of such stature presiding over the fortunes of this Parliament at a time when, at the advent of direct elections, Europe is about to take what is widely recognized as a particularly important step forward. We know that with you at the helm affairs will be handled with wisdom, experience, skill and firmness, which is most reassuring. I felt this point had to be made before I embark on my theme.

*(Applause)*

Less than two months ago, I came here for the first time in order to outline to you, on behalf of the Council of Ministers of the Communities, the programme for the current six-month period. Today I have come to report to you half-way through this period, on the work of the European Council held in Paris on Monday and Tuesday, which was, as you know, the 13th such meeting since the European Council was instituted. The merit of the periodic contacts between the Council and this House is that they establish a dialogue which, as I have discovered, is notable for its openness and — if I may say so — frankness, which I hope we can maintain, and for being a useful discipline in that, with the passage of time, it obliges us to look back and take stock of the ground we have covered and the relationship between stated objectives and actual achievements. Indeed, I think we need to develop and strengthen these contacts and, as far as we possibly can, ensure that they have real substance.

<sup>1</sup> OJ C 93 of 9. 4. 1979.

## François-Poncet

In the speech it was my privilege to make in this House on 17 January I spoke of what seemed to me at the time — and I have had no reason to change my opinion — to be the two main events of this six-month period, namely direct elections to the European Parliament and the start of the European Monetary System, and I went on to review the various problems regarding the internal and external affairs of the Community. Of these two events, I have nothing more to say about the first, the direct elections to Parliament, where I think we can say that things are moving as we had hoped. I have the impression that the public is showing a mounting interest in these elections, and I must say that I welcome this.

I should just like to reaffirm what I have said on many occasions since the beginning of the year, namely that these elections could give a fresh impetus to this Assembly and its role in the construction of Europe. I shall have more to say about the setting up of the European Monetary System which, as you know, became a reality last Tuesday morning — a reality, in my view, of the greatest importance. As to the Community's other affairs, the European Council did not, of course — nor is it in its nature to do so — take up the whole range of the various problems facing us, which are dealt with in the day-to-day work of the institutions. It selected from among these problems only those which, in the light of current developments, have the greatest urgency — in other words those which both present the greatest difficulties and arouse the most public feeling.

For this reason I shall present my comments, if I may, under three headings: firstly the monetary situation as it appears following the introduction of the monetary system, to which I shall add a few words on the familiar problem of the Community budget; secondly I shall touch on the internal Community problems discussed by the European Council; and then I shall have a word to say about certain external problems that were raised.

Ladies and gentlemen, the European Monetary System has been in operation since the day before yesterday, that is Tuesday. The first act of the Heads of State and of Government when they met at the Centre Kléber was to record that the necessary conditions for implementing this system had now been met and that the exchange mechanism defined at the previous European Council in Brussels could now be put into operation. I know that some people have expressed amazement — and, as I gathered here in January, disapproval — at the time it has taken for this step to be judged possible.

And I know that some people have deplored the French Government's insistence that the agricultural aspects should be discussed and resolved. Here I can only repeat what I said before, which I think this House can in fact well appreciate as it has always, with

its watchful concern for the Common Agricultural Policy, spoken out against monetary compensatory amounts and the perverse influence they exert on the Community's agricultural policy. It was impossible not to seize the unique opportunity offered by the restoration of more stable exchange rates between the Community currencies to return to that unified system of farm prices which is the basis of any common agricultural policy.

Those participating in the European Monetary System took the view that the provisions adopted were capable of ensuring the rapid dismantling of any new monetary compensatory amounts that might be created after the start of the monetary system and would thus make it possible to put all farmers in the Community on an equitable footing with regard to this question of prices, which is of decisive importance in any farm policy. They also took a decision regarding the existing compensatory amounts — this accumulation of compensatory amounts that the Community has inherited as a result of the monetary instability of the past 10 years — which should not be seen as an agreement in principle but is a formal undertaking to settle this problem via the annual price fixing decisions. I think this is a realistic and pragmatic decision which will make it possible for all the interests involved to be taken fully into account.

I would like, if I may, to pay tribute to the understanding shown by all parties to these negotiations and also to the particularly useful and constructive part the Commission has played in solving the difficulties that arose.

This monetary system is thus in operation, and I for my part am convinced — and I know I express the feelings of the European Council here — that this is a major event in the life of our Community, for what has been introduced is not merely a mechanism for a coordinated float backed up by a few credit arrangements such as all central banks have long had between themselves. No, what we have is a new kind of monetary arrangement which, as you know, has two fundamental features: firstly the creation of the ECU, a fully-fledged currency which is not to be used simply as a means of expressing the claims and debts between the various countries participating in the system but which the central banks will exchange between each other and into which they will convert a significant portion of their exchange reserves. Secondly, the system comprises two specific intervention mechanisms — the details of which I shall not go into — of a compulsory nature, backed by substantial exchange reserves amounting to 25 000 million ECU. I should like here to evoke the memory of a great economist who gave a great deal of attention to these problems, namely Jacques Rueff, who said that Europe would be built through currency or it would not be built at all.

## François-Poncet

Ladies and gentlemen, the European Monetary System is Europe on the march. It is true that one of our partners in the Community will not be taking part in the system. We knew this when we met in January. On this point, the situation has not changed, but as you know the necessary arrangements have been made to ensure that the door to the monetary system remains wide open, and I wish to express here the hope, on behalf of the French Government, that the United Kingdom Government will feel able to enter by this wide open door as soon as the system has proved itself and the economic climate has changed sufficiently to make participation in the system possible.

*(Applause)*

At this point I should like to make a brief excursion into the problem of the budget, primarily in order to say — and that is why this has a place in the account I am expected to give you of the work of the European Council — that this question was not broached by the Heads of State and of Government at their meeting in Paris. I think this was in fact a good thing, and I hope there is no one on the benches here who would criticize the European Council for not having raised this question. Indeed, the question of the budget is the responsibility of our Community institutions and involves, as you all know a close web of relations between the Commission, the Council and Parliament. There was thus no need for the European Council to intervene in this procedure, which is taking its normal course.

Since we met in January, the Council of Ministers has taken up this question. As you know, it is proceeding in two ways: firstly, there is the task of defining internal rules of procedure which should prevent any recurrence of the uncertainties which have plagued the budgetary procedure this year; secondly, the Council is concerned to examine the new budgetary proposals it has received from the Commission. Before examining these Commission proposals, the Council was anxious, as is customary, to consult the wishes of Parliament, and on the occasion of the last meeting of the Council of Ministers in Brussels I myself received a delegation from the European Parliament led by President Spénale. We had, if I may say so, a particularly frank and cordial exchange of views. Admittedly, this dialogue brought out some of the differences of interpretation between the Council and Parliament regarding the regularity of the procedure adopted at the end of December; these points were discussed in a very open and straightforward manner, and I wish to repeat here what I said in the course of the meeting, namely that I see no point in attaching excessive importance to a legalistic analysis of what happened last December. Let us leave it to the historians and legal experts of the future to pass final judgement; we should preferably concentrate on seeking common ground — and I am sure we can manage

this in the near future — as a basis for settling the outstanding problems.

With regard to this, I should like to assure Parliament that whatever steps the Council takes it will pay jealous attention to the prerogatives of Parliament and that there is clearly no question, either directly or indirectly, of modifying or restricting the powers of Parliament. That is not the Council's intention — quite the contrary. Its sole concern is to ensure that the budgetary cooperation between the two, or rather three institutions is as harmonious and constructive as possible.

The 'Budget Council' is to meet in Brussels on 22 March. It will examine the Commission's proposals. I hope that it will then be able to take a decision and forward to Parliament the Council's draft budget. That is what I wanted to say to you on two questions which, as we know, have both been on the European agenda since the beginning of the year and on both of which I think good progress has been made since January.

I now come to the deliberations of the European Council regarding the internal problems of the Community, which — as I said before — meant discussing the most serious problems facing ordinary men and women in the Europe of today. It is a Europe living through hard times, justifiably anxious over its six million unemployed and shaken by certain developments on the international scene which threaten both its energy supplies and its place among the major world powers. In this context, the Heads of State and of Government examined the economic and social situation in the Community, giving particular attention to the problem of employment. They also discussed the existing disparities between the economies of the various Member States and the possibility of increasing their convergence by means of appropriate policies. Lastly, they examine in depth the problems regarding the future of the Common Agricultural Policy. Allow me to take these three points one by one.

The economic and social situation was examined by the European Council in the light of a report from the Commission. This discussion led to two main conclusions. To start with, this economic situation has some positive aspects. Firstly, the rate of growth, which is expected to reach 3.4 % in 1979 compared with 2.8 % in 1978; in other words the rate of growth will be the highest since 1977 and comes out higher than the expected United States growth rate for 1979. Secondly, a positive trend on the prices' front, where we have seen a slow-down in the rate of inflation, although new strains have developed since the beginning of the year and in view of this most recent development it was thought necessary to maintain a policy of stability. Thirdly, there has been a favourable trend in the balance of payments both of the Community and of most of the member countries, although in this

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context the European Council noted the very serious and very worrying imbalance in trade with Japan and expressed the sincere hope that the current negotiations with that country would make it possible to return to a more normal situation.

Aside from the bright spots, there is a dark side, and the European Council noted that despite a rate of growth which was, all in all, relatively favourable the employment situation in the Community was still a cause for concern. Here, the forecasts for 1979 seem to indicate that, with the prospect of a slight increase overall, the rate of unemployment will remain at the level we have at present.

This means that the work of the Community has a priority, and back in January I ventured to suggest that this priority would be one of the major concerns of the French Presidency during this first half of 1979. On this point the Heads of State and of Government gave the Community institutions a number of guidelines. Of course, some people may regret that there were not more immediate practical decisions on action to be taken, but I would remind you that on matters such as this the decisions and their implementation are the responsibility of the Community institutions, while the role of the Heads of State and of Government is to set out objectives and lay down priorities — and that is exactly what they have done. Firstly, they called for the continuation of the efforts already undertaken to improve economic structures. Secondly, they called for a number of specific measures to be taken to deal with the problem of unemployment which is itself, in its present form, a specific and varied phenomenon. The measures recommended are concerned with youth employment, tailoring training more closely to employment, restricting the systematic use of overtime and improving the employment situation for women by diversifying the jobs offered and providing ready access for women to training for the available jobs. Thirdly, the European Council stressed the importance of and the priority to be given to the sectors in difficulties and the social policies relating to these sectors; the iron and steel industry was naturally the sector to which the European Council gave the closest attention, but other sectors are no doubt also in need of particular social measures. Fourthly, the European Council suggested that attempts should be made to improve the effectiveness from the employment point of view of the activities of the Social Fund and of the various financial instruments available to the Community, which could make a coordinated contribution to improving the prospects. Lastly, the Council wanted other approaches to be investigated and it accordingly requested the Commission to submit a communication on the social and economic implications of any adjustment of working hours.

I need hardly add that it is not possible purely and simply to impose all these measures on those

concerned, but that these objectives can only be achieved in close cooperation with both sides of industry. The Heads of State and of Government strongly emphasized this point in calling for a more extensive dialogue between the two sides of industry, if necessary on a sectoral basis.

They also expressed the hope — which had in fact previously been expressed by the Ministers of Labour — that it would finally prove possible to improve the working methods of the Tripartite Conference which, as you know, consists of labour unions, employers' associations and the Community. I think that in tackling this problem the European Council has demonstrated its determination to deal with the outstanding economic and social problem of our time, thus responding to the expectations, the hopes and the fears of the public.

It was also in order to respond to this expectation and this hope that the European Council, as certain of its members had been demanding for some time, tackled the problem of greater convergence between the economies of our countries and regions, with a view to gradually reducing the existing disparities in the level of development. With this in mind, these priorities must, of course, be seen in the context of implementing the European Monetary System, since it must be hoped that the setting up of this system will lead to the elimination of the monetary disturbances which, for a number of years now, have been the origin of inflation, the disturbances we have experienced in trade relations and, ultimately of unemployment.

This means that the setting up of the monetary system will in itself contribute to greater convergence, but conversely this improved convergence is itself the prime requirement for the smooth functioning of the European Monetary System. These two priorities, these two objectives are closely linked.

The European Council opened its discussions on the basis of a report from the Commission, the conclusion of which it broadly endorsed. This report stressed the need to give priority to implementing national schemes and measures — not that Community policies have no part to play, but theirs is a subsidiary, supporting role. The main responsibility for this convergence still lies with the Member States and the regions and will continue to do so. This back-up function must nonetheless be reinforced and made more effective by means of a number of adjustments and new initiatives on which studies are now to be made before they are put into practice. With regard to this, the European Council recommended the institutions firstly to see that existing instruments are used to greater effect, with an increase in the funds available to them (the Finance and Economy Ministers have been asked for a report on this), and then to see to

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what extent Community policies as a whole could be used to help eliminate these regional and national disparities.

As you know, the common agricultural policy was also on the agenda of the European Council last December, but there was no time to discuss it because the European Monetary System took up practically all the time available. It was therefore in Paris that this problem was examined and, while the insufficient convergence of economies is a weakness about which certain governments are deeply concerned, the common agricultural policy has also given rise to criticism, one particular aspect of which — monetary compensatory amounts — has been highlighted by the European Monetary System, but we know that this criticism is in reality directed at the policy as a whole. The Council's discussions on this were particularly serious and thorough. I should like to summarize the conclusions it reached under four headings.

Firstly, the Council reaffirmed its commitment to the principle of the common agricultural policy which it regards as a milestone in the history of the Community. This may seem a platitude hardly worth repeating, but in view of what has been said or written in certain quarters, including my own country, it none the less needed to be said. And the heads of State and of Government were unanimous in doing so.

Secondly, the Council noted that the common agricultural policy had certain shortcomings, particularly with regard to certain imbalances in the markets for agricultural products which led to increased costs and the need for increased expenditure in support for agricultural prices.

Thirdly, having before it a variety of proposals for redressing these imbalances and preventing the building up of surpluses, it considered, after a thorough exchange of views, that there was a need both to pursue a prices policy suited to the circumstances and to seek measures tailored to each product. Here too, you may say that these vague phrases smack of diplomacy of the old school. If I may say so, in view of some of the proposals which have been put forward these phrases do have a precise meaning, though there will still, of course, be the question of giving them substance over a period of time and for particular products.

Lastly, the Council stressed the importance of the structural policy and suggested it was of particular relevance to the least-favoured regions of the Community; moreover, it called for this policy to be applied in the Mediterranean regions.

As you can well imagine, these guidelines were all referred to the Agriculture Ministers to be further examined, and I think there is reason to hope that this lively but practical and productive exchange of views will make it possible, while adhering to the prin-

ciples on which the common agricultural policy is based, to improve the machinery and ensure that it operates more effectively.

I now come to the problem of international developments and their effect on the Community. On 17 January I emphasized in this House the need for the Community to face up to the various external challenges. The European Council today calls on the Community institutions and the Member States to take up the most pressing of these challenges, namely the threat posed by our dependence on imported energy. Faced with the world energy problem, the Heads of State and of Government have called on Europe to demonstrate greater independence, greater solidarity and a more positive attitude to dialogue. I should like to comment briefly on each of these points.

Greater independence. In this respect, the European Council has laid down — for itself, for the Member States and for the Community — precise objectives which reinforce those set out in Bremen. The aim is to ensure that oil imports in 1985 are at the same level as in 1978. This means — in view of the increase in energy consumption which, of course, it is not only reasonable but desirable to expect in the Community — that the level of dependence on imported oil will have to fall from the current 56 % to the target figure of 50 %. I know that objectives like this set out by the Heads of State and of Government may appear very theoretical. I would just remind you that in 1973 the figure for Community dependence on imported oil was 63 % and that the proposed objective for an equivalent period of time, the ground to be covered by 1985, is exactly the same as the ground covered since 1973. Everyone in the Community agrees that there is still room for considerable progress in this direction, and that is what the European Council has defined in broad outline.

Firstly, of course, there is the question of energy saving. Here, it was emphasized that these energy savings must not result in a slow-down in the rate of economic growth in the Community. That goes without saying: we cannot allow our employment policy to conflict with our energy conservation policy. Fuel consumption by administrations, domestic heating requirements and better use of fuel by vehicles are the obvious fields at which measures could be directed in order to achieve this objective.

On the one hand we must economize and on the other make more systematic, thorough and consistent use of the Community's internal energy resources, whether oil or new forms of energy such as solar and geothermal power.

After some fairly searching discussions, the Council also stressed the necessity and the importance for the future of the Community and its energy autonomy of developing nuclear energy — provided, of course, that

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every precaution was taken to protect the environment.

Greater economy, more thorough utilization of home-produced energy, technological improvements and progress. On this point, the European Council called on the Member States and the Community to continue their work on the whole range of technologies concerning the utilization, production and consumption of energy and to achieve the advances that remain to be made in every one of these fields.

Greater independence, but also greater solidarity between the Member States, which means in the first instance solidarity in times of crisis. As you know, the principles governing this were agreed between the relevant ministers of the nine Member States in 1977. These principles should now be translated into practical rules, and that is what the European Council has asked the Council of Energy Ministers to do without delay.

Solidarity in all other aspects of energy policy as well. Arrangements should be made for regular and far-reaching discussions between those responsible in the Member States and for ensuring the necessary harmonization of policies, particularly with regard to energy saving, so that valid, technically sound comparisons can be made on this particular point between the various measures and the results.

Solidarity in the decisions and policies adopted with regard to production. I think we can say that in this way the guidelines for a common energy policy are beginning to become clear. I would not say that an energy policy has emerged from the Council's discussions, but there seem to be two clear guidelines: firstly that of harmonization and convergence between national policies, which will naturally continue to be at the heart of our policy in this field, and secondly more resolute, effective and substantial Community action.

Lastly, more dialogue with all the parties concerned. It is a more united Europe that the European Council is calling upon to play a greater part in worldwide discussions on energy. In this context, the Council noted the very positive nature of the declaration by the Saudi Arabian Government which, as you know, has called for consultations between the oil-producing countries and the consumer countries — and such consultations are precisely what we want.

The Council also stressed the importance of the declaration by the President of Mexico, Mr Lopez Portillo, who has similarly proposed worldwide consultations between all the parties involved in this vast debate on world production and consumption of energy.

The French Government, which currently holds the Presidency of the Council of the Communities, will presently be making a number of approaches to the oil-producing countries on the lines of these proposed consultations with a view to organizing a dialogue

with them. The European Council could not appeal to the energy producers alone but was naturally concerned to turn to the major world consumers as well, and more particularly, it must be said, to those who have evidently failed up to now to practise the energy conservation policy which is an inseparable part of any solution to this problem. I am thinking here of the United States and Japan, to whom the European Council has made an appeal on these lines.

Ladies and gentlemen, in the context of these wider relations of the Community with the outside world I must also mention briefly the French President's plan, which he put to the European Council, concerning, as you know, the organization of a meeting between the countries of European and the African and Arab States.

In a world situation largely determined — I think no one will dispute this — by the interplay of the two superpowers, and in future of China as well, the time has come for the countries belonging to these three groups to assert their difficulties and act accordingly. Their economic complementarity is evident, whether with regard to technology, raw materials or financial resources. As we well know, this complementarity can be expressed in various ways: either in solidarity or in confrontation, either in organization or in disorder. Experience shows that the common interest of all these countries lies in organized solidarity in thinking out and in implementing their policies.

All these countries also share the same will to be independent, a will not to see their lot decided in some worldwide bargaining process. Equally, they none the less have great cultural complementarity which gives weight to certain common values, especially their common will to assert their cultural identity *vis-à-vis* the sometimes hegemonic major cultural trends which make themselves felt throughout the world.

Lastly, we can see that the superpowers have woven a closely meshed web of mutual contacts and have even virtually formed a sort of objective alliance of interests. The European, African and Arab States must do likewise in their own sphere.

Of course, the outlook here is not all plain sailing, and already the sceptics are shaking their heads. But in the technocratic world in which we live we cannot afford to take too narrow a view. We need great ideas and grand designs. The plan that has been put forward is of that order; it will certainly take time, but it is not an academic exercise. It may have, it will have far-reaching political and economic implications. The European Council appreciated this and approved President Giscard d'Estaing's initiative. The initial approaches which this plan involves will be made and any further developments will clearly, as is natural in such a vast and ambitious plan as this, take shape gradually as contacts are made and the way ahead becomes clear.

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Mr President, ladies and gentlemen, I think I have given you an accurate account of the European Council which has just ended. If I may say so, the Council has once again on this occasion demonstrated its usefulness by the decisions it has taken concerning the Member States and by the stimuli it has given to the institutions of our Community, for which it has laid down priorities, objectives and guidelines. It has taken the necessary practical steps for this new body to confirm and consolidate its position *vis-à-vis* the institutions and machinery set up under the Treaties.

All the guidelines it has laid down constitute a vast programme of activity for our Community in the coming months. This in itself demonstrates the Council's confidence in the Community and its future. I am sure that you will all in different ways bear witness to this confidence before the people of Europe in the course of the election campaign in which you will be directly or indirectly involved. You can bear witness to the fact that Europe is on the march, that it brings to its constituent peoples a message of hope, a message of reason and realism, but also the prospect of ensuring for the children of the Europe of tomorrow the future that each of us wishes for them.

*(Applause)*

**President.** — Thank you, Mr François-Poncet, for your full and detailed statement, and for the complimentary remarks addressed to me, which are a tribute rather to your courtesy than to my merits.

I call Mr Jenkins.

**Mr Jenkins, President of the Commission.** — Mr President, I am glad to have this opportunity to speak about the outcome of the European Council this week in Paris. I will do so briefly, because I think the House would soon like to get on to the general debate with the political groups. I will therefore not duplicate the very comprehensive report made to you by Mr François-Poncet for the Presidency. Nor will I attempt to repeat or summarize all of the Council's conclusions which were published immediately after the meeting.

The main symbolic significance of the Council, in my view, was that it was able to announce the delayed but immensely welcome start of the European Monetary System. The House will certainly understand, and, I believe for the most part share, my intense satisfaction that the remaining difficulties were resolved and that the scheme — a Community scheme — should go ahead with the full participation from the beginning of, at any rate, eight out of the nine Member States. Even with the delay, it is a considerable achievement that less than twelve months after the opening of serious discussions between governments at the Copenhagen European Council last April the scheme should be in place. I think we — I certainly do myself — should join with Mr François-Poncet in expressing

the hope that the ninth Member State, the United Kingdom, will soon feel able to join in the central intervention mechanism.

*(Applause)*

I agree very strongly with what Mr François-Poncet has said about the significance for the future of this scheme. I believe that the EMS can make a bigger contribution to the economic health of the Community than perhaps any other instrument we have in our power. But as this European Council recognized, the EMS must be supported by the increased convergence of the economic policies and performances of the Member States. On this we had an encouraging discussion on the basis of a communication from the Commission. As a result, the European Council agreed that we should strengthen the means of coordinating our economic policies, that we should make better use of existing Community instruments, and that we should examine in depth how the Community could achieve greater convergence and reduce disparities between the economies of Member States by using all its policies taken together, working together, coordinated closely in relation to each other.

The Council devoted — and devoted rightly — particular attention to the problems of unemployment; and here I think the decisions of the European Council can prove of particular value. I would recall the particular emphasis which was laid on unemployment and on social measures in the debate in this House following my programme speech last month. As a result of our deliberations in Paris before the next European Council in June the Commission will, first make specific proposals to improve the work of the tripartite conference in response to pleas from all concerned; we attach great importance to the successful continuance of this body in a good atmosphere of mutual understanding and cooperation: second it, will make proposals on the implications of concerted action in the field of work sharing: third, it will make proposals of improvements in the working of the Social Fund, so as to exercise greater selectivity in its use, to concentrate on unemployment among young people and women and also to concentrate on training; in doing so we shall take particular note of the acute problems of the steel industry. We shall also put forward ideas about a coordinated effort in selected areas in the Community, using all Community financial instruments for the purpose.

I was also content, Mr President, about the discussion in the European Council on energy. The Council agreed on two specific new commitments as proposed by the Commission: a limitation on oil imports in 1985 to the 1978 level, and a limitation on oil consumption this year to 5% less than we estimated last year. Let me here draw attention to the need for greater energy-saving and corresponding price-policies

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by Member States, and to the firm statement in the Council conclusions that the Energy Council

will adopt the necessary provisions at Community level to pursue the development of oil technologies, promote the use of coal and nuclear energy, and make use of new sources of energy through an increased research and development effort and through demonstration projects.

I hope that the practical results of this — because it is for practical results that we shall be looking — will be that the Energy Council, at its next meeting on 27 March, will unblock a large part of the important Commission proposals which are before it — and have been before it for far too long. That is the clear message which should be taken — that the Energy Council is expected to get on with some practical steps here.

It is always a little sad that we need a crisis, or a threatened crisis, to push the Community forward. But out of evil occasionally good can come. I hope that this oil crisis will lead to the development of the common energy policy we need for good times as well as bad.

Last, I refer to the important, thorough discussion of the paper on the common agricultural policy which the Commission submitted to the European Council in December but for which there was then no time for proper examination. Let me draw attention, as did Mr François-Poncet, to the Council's confirmation of the fundamental objectives of the common agricultural policy. These are not in question. But as the Commission has made clear, there are major problems now facing the common agricultural policy. The European Council I think recognized them by inviting the Agricultural Council to examine those improvements which are necessary for its proper functioning. I believe that we are all uneasily aware that the future of the common agricultural policy, with its many great advantages, is endangered by the existing imbalance of markets. We are not only spending too large a proportion of the budget on agriculture, we are spending too much of it on financing the accumulation of predictable surpluses.

The Commission has therefore put forward policies which this House debated in detail yesterday. Vice-President Gundelach was able to explain their main lines and the reasons for them. Our difficulties cannot all quickly be overcome, and we have to fashion policies which are designed to cope with long-term imbalances of supply and demand. These include a rigorous price policy, and in the case of milk, a remodelled variable co-responsibility levy. I am convinced that our policy and our approach are even more necessary now than when we set them out in our paper at the beginning of December.

All in all, I think we had a useful European Council. Apart from the announcement of the start of the EMS, we dealt perhaps more with bread and butter issues than with the grand lines of endeavour and advance; but those issues are of just as much importance to the lives of our citizens. And it is with the lives of our

citizens that we in the European Community are concerned.

*(Applause)*

**President.** — I note that in their statements both the President-in-Office of the Council and the President of the Commission also dealt with the question of the European Monetary System, which is the subject of the question to the Council by Mr Damseaux (Doc. 655/78) and the question to the Commission by Mr Mascagni, Mr Pistillo, Mr Veronesi and Mr Vitale (Doc. 656/78), on which a joint debate is due to be held during today's sitting.

These questions are therefore withdrawn from the agenda, but their authors will be entitled to speak first in the debate.

I call Mr Damseaux to speak on behalf of the Liberal and Democratic Group.

**Mr Damseaux.** — *(F)* Mr President, Mr President-in-Office of the Council, Mr President of the Commission, ladies and gentlemen, the Liberal and Democratic Group naturally welcomes the decision taken by Heads of State and Government of the Community to establish the European Monetary System with effect from 13 March 1979. Although this system was originally intended to come into force on 1 January of this year, I think it is pleasing to note that it has not sunk into oblivion. This is a very recent decision, and we are therefore all the more interested in the statement already made by the President-in-Office of the Council and in the replies which I hope he will give to six questions which I shall try to put as briefly as possible.

Firstly, the relationship between the European Monetary System and the international monetary system. It is essential that there should be no split in an already deeply disturbed international monetary balance. Indeed, we must avoid at all costs a widening of the divergences on the money market, which would have the all-too-familiar effect on trade and the economy by pushing up inflation. We would like to know how the Council intends to integrate the European Monetary System into the international system. It is our view that the EMS would function best as a monetary zone within the framework of a world system.

Secondly, with regard to the internal development of European Union, we think we should know what function the Council has allotted to the European Monetary System in relation to the final aim of Economic and Monetary Union. Our concern arises from the fact that, although the creation of the EMS makes it possible to avoid a worsening of monetary disparities, and thus provide short-term solutions to our economic and social problems, it will not in itself be able to bring about the economic and monetary integration which Europe urgently needs. For our part, we hope that the EMS will be a transitional phase, or at most a step towards Union.



## Damseaux

Thirdly, the obstacles created by monetary compensatory amounts to the establishment of the European Monetary System. Although this hindrance was removed at the European Council in Paris on Monday and Tuesday last, we must at some stage ask ourselves whether discussions on such an important subject as the EMS should be delayed by the attention given to a sectoral policy such as agriculture. Incidentally, we also take the view that it was wrong to construct the common agricultural policy in a welter of fictions. The 'green' franc was a fiction devised to mitigate the consequences of the devaluation of the French franc; the monetary compensatory amounts were another fiction engendered by the revaluation of the Deutschmark. In politics, reality always gets its own back on fiction. We should be grateful if the Council could tell us whether, in order to avoid such problems, it envisages integrating the European currencies in a system flexible enough to avoid damaging or putting at a disadvantage any one of the Member States.

Fourthly, the problems of convergence of national economies. It is significant that all the Commission documents relating to economic and monetary revival in Europe devote a great deal of space to the problems of convergence between national economies. On 18 February 1974 the Council decided that all the Member States should strive to make their economies converge under the authority of the Commission through coordinating their budgetary and economy measures and incentives. Although there has been a reduction in the bracket of inflation rates, the fact remains that the Council decision was not respected by all the Member States that the Commission was unable to carry out the task entrusted to it, and that the disparity between national situations has persisted and in some cases even increased. Since we believe that the European Monetary System can be effective only in a harmonized or even unified economic framework, we wonder if it is not time we envisaged the immediate transfer of some powers from the Member States to the Community.

Fifthly, we would like to know the Council's opinion on the proposed relationship between the basket of European currencies and the dollar. Monetary disturbances and the end of the dollar's leading role have led since 1970 to fundamental divergences between the European currencies, the yen and the dollar, as well as among the European currencies themselves.

I said just now that the European Monetary System must be a part of the international monetary system. To achieve this, in my view, the European Monetary Fund should be provided with the means it needs to ensure the authentic cohesion of the European Monetary System. That is why we ask the Council whether the EMS should not be given its full intervention powers straightaway.

Sixthly and lastly, the role of the ECU. For the European Liberal-Democrats, the ECU must be regarded as

the embryonic single European currency. In the framework of the EMS, the ECU will function as a reference currency for the present. The new system, which the President-in-Office of the Council described as a novel arrangement, is in fact no more than a system of exchange rates which are variable within certain fixed limits, but it nevertheless constitutes a step forward. It removes uncertainties and encourages investments, but only if it is accompanied by a genuine political determination to bring inflation under control.

In this connection, the new system carries risks. I shall mention only one: either zero inflation or identical rates in the Member States — or we run the risk, in spite of Community intervention and the pooling of some reserves, of obliging some governments to make increasingly frequent parity adjustments and thus ending up once more with a system restricted to only a few countries.

We ask the Council — and this is the question to which we attach the greatest political importance — if it would not be preferable to move on directly to a single European currency.

Mr President, ladies and gentlemen, those are the preoccupations which the Liberal and Democratic Group wished to express. Indeed, we consider that the future of European Union and the place which Europe is to occupy in international affairs depends on the success or failure of the European Monetary System.

*(Applause)*

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

**Mr Pisani.** — *(F)* Mr President, you have made things very awkward for me by distributing a document according to which the Socialist Group had been allocated 65 minutes' speaking time, and just when I was debating whether to rejoice or grieve over your generosity, you now tell me that the time available to my group has been overstated and that the Bureau has got its sums wrong. I really wonder in that case why we go to the trouble of preparing an agenda, and I hope that in future we shall be given more accurate information as to how much speaking time we have been allocated.

In my capacity as spokesman for the Socialist Group, I should like to deal with the question of European summits and their present and future role in the building and running of our Community. I shall then go on to deal with certain aspects of the European Monetary System, the energy problems which you yourself referred to, Mr President-in-Office, the unemployment problem and the problems facing the common agricultural policy. You are aware what reservations — based, incidentally, on the Treaties — some

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of us had on the appearance of European summits as a new element in the Community machinery. We felt that these meetings did not entirely conform to what was laid down in the Treaties and that their status was rather vague right from the word go. I think I can say that experience has shown these summit meetings to be useful, but perhaps I may be permitted to say how they could be made even more useful.

The first and main condition is that they should not duplicate the work of the Council of Ministers, especially as regards the subjects discussed, the level of discussion, the national standpoints and the kind of language used. We all know what goes in the Council of Ministers. A minister arrives briefed to the eyeballs by his civil servants. In the train or plane bringing him to Brussels, he makes last-minute attempts to counter the points raised by his civil servants, and we all know that civil servants are the most rabid nationalists of them all. If the views of the Heads of State and Government were as dominated by national considerations as those of their civil servants, the results of their deliberations would be mediocre indeed. On the other hand, if they were to roll up their sleeves and get bogged down in technical details, if — by magic — they had to do the work of their ministers or permanent representatives, the result would be the same. In fact, perhaps that is the whole trouble. At any rate, one of the problems we have been confronted with over the last few weeks is that the meeting at the beginning of December either went too far or not far enough in defining the rules and aims governing the work of the Council of Ministers.

These summit meetings are useful so long as they are sufficiently distinct from the work of the Council of Ministers and introduce an element which is missing from the Council of Ministers' work. But let us be on our guard. These summit meetings — or rather these European Councils — differ from the ordinary meetings of the Council of Ministers in that they are in themselves important events, and although not every one of them need necessarily result in an important decision, they should at least all serve to inform the public at large. Obviously, when you are meeting on a regular basis three times a year and when you follow developments in the Community and in the world day in, day out, you cannot come up with startling new departures at each and every one of these meetings. On the other hand, the public would be disappointed if these meetings did not produce at least a clearer formulation of the aims, ambitions and current state of the Community. That is the first point I wanted to make. By all means, let us have these summit meetings, but let us realize that they cannot take over the work of the Council of Ministers. Perhaps I may be permitted to make one further point on this subject.

We get the feeling that, every now and again, the Community gets into difficulties, one of the problem

areas being the common agricultural policy. But we also feel that at the root of the problem is the Council of Ministers' increasing inability to take decisions. Personally speaking, I am always amazed and worried by the difference between the momentum of 15 years ago and the current stagnation. This creeping paralysis in the Council is now beginning to affect the Commission, which will soon lose all interest in presenting proposals, and there can be no worse decision than to put off a decision to another day. The Community today is adrift and powerless to do anything.

Mark my words, Mr President, in a few months we shall have a directly elected European Parliament. So long as the Council of Ministers rediscovers its decision-making powers, the balance between the directly elected Parliament and the Council will be fully in accordance with the spirit of the Treaties. But if the creeping paralysis affecting the Council and the Commission were to paralyse the Community as a whole, the new directly elected Parliament might be tempted to tackle the outstanding problems in a way which exceeded the powers bestowed on it by the Treaty. We would be getting into dangerous waters if the enhanced legitimacy and the political influence — if not the sovereignty — of the new Parliament were not matched by a new improved version of the decision-making procedures which the Community has abandoned bit by bit as time has gone by. The direct elections have a salutary effect by prompting the Community to rediscover its rightful decision-making powers.

I should now like to move on to deal with the question of the European Monetary system before tackling energy, unemployment and the common agricultural policy.

As far as the European Monetary System is concerned, I should like to say on behalf of the Socialist Group how anxious we are — and we agree with the President-in-Office and the President of the Commission on this point — that whatever procedures are set up should leave the door open for the entry of the United Kingdom into the European Monetary System as soon as possible. We have a number of reasons for wanting to see the EMS embrace all nine Member States. Firstly, because a Community system which leaves out one of the Member States seems somehow lop-sided and unsatisfactory; secondly, because the credibility of the EMS might be impaired in the eyes of the rest of the world by the fact that such an important financial centre as London is left out; and finally, because we firmly believe that the United Kingdom's political problems will be solved much more satisfactorily by participating fully in the work of the European Economic Community than by a kind of *ad hoc* participation. We hope the door will remain open, in the interests both of the Community and of the United Kingdom, and that this will be taken as a standing invitation to the United Kingdom to rejoin the fold.

## Pisani

Mr President-in-Office, there is one point on which we very much disagree with you, and that concerns your attitude to Europe as an economic whole and the role, in this context, of the European Monetary System. You quoted Jacques Rueff. It was anything but a neutral kind of quotation. Knowing the position Jacques Rueff occupied in our country, and the privileged status he himself gave to the monetary system in the face of economic reality, one can only register surprise at the use you made of his comment that 'Europe will be built through currency or it will not be built at all'. Taken out of context, this could just about meet with our approval, but only out of context. As far as we are concerned, Europe will only be built on the day when currency becomes a genuine expression of European unity at the culmination of a period of convergence and cohesion in other spheres. The way you used it was in the sense of currency as a discipline, as a point of departure and as an inevitable intermediate stage of a unity which is as yet non-existent. By so doing, you are exposing this undertaking to substantial risks, to which I think attention should be drawn. To set out the grounds for my criticism, shall I read out — or at least quote from — page 2 of the communiqué issued after the Paris Summit of 12 and 13 March 1979? I sometimes think that these communiqués are written by grammarians and politicians working in collaboration, as both are aware of the full value of words.

What, then, do we read on page 2 of the communiqué? 'The fight against inflation must remain the primary objective of the economic policy pursued by the Member States'. And then, further on, in the final paragraph on page 2, we read: 'Despite the upturn in growth, the situation on the job market remains one of our primary concerns'.

In other words then, our objective is to fight inflation, while the fight against unemployment ranks as one of our primary concerns. We believe that this rather semantic distinction reflects an approach which we do not share; indeed, we should like to underline here the importance which we attach to the convergence of our economies and the ways in which the Community could do more towards ensuring that there is a little inequality as possible between the various social categories, the various regions and the various Member States of the Community.

In other words — and looking at the problem from a different angle — the convergence of the national economies which is supposed to come — so to speak — to the rescue of an already established monetary union will impose different obligations on different countries. Some countries are already well placed in this respect whereas others still have a lot of work to do to reach that position. If the convergence of national economies were to impose certain obligations — I almost said sacrifices — on a particular country,

i.e. an austerity programme which could only bear fruit in the long term, unsupported by Community measures to lighten the load placed on the country concerned, such a policy — aiming ultimately at monetary union — would appear to that country to be more like a system of constraint imposed arbitrarily on an economy that happened to be pursuing a different course than a reasonable and desirable objective for all concerned.

Or, to put it yet another way, if you want the European Monetary System to be a credible institution — as you evidently do — you must stop giving absolute priority to monetary problems and start instead focusing your attention on the kind of overall solidarity which will make this monetary system plausible, and which could have been included for the concept of economic convergence.

There is a big difference between the two concepts, and it is something I should like to emphasize in connection with the unemployment problem. As far as we are concerned — and I am sure you will not be surprised to hear this — the unemployment problem is central to the whole question of Europe. At any rate, we can go on dealing with the problem as if it were simply of a technical nature.

It is the most serious political problem we have to face, both at national level and — perhaps even more so — at Community level, because, as you well know, in the forthcoming campaign leading up to the direct elections, our opponents will take advantage of the Community's inability to work miracles to accuse Europe of being incapable of solving those problems which are rightly ours to solve. As if the Member States acting alone could have tackled the problem any better than the Community!

The unemployment problem was dealt with in such measured terms at the Paris Summit that those affected or threatened by unemployment will find no answer to their problems from that source. Of course the Commission has been asked to prepare at short notice a report on the economic and social implications of a reduction in working hours, but I think the terms of the task entrusted to the Commission should have been much more widely defined.

We hold two things to be true. Firstly, we feel that, as a result of world developments and the international division of labour, jobs should henceforth be regarded as a valuable commodity. For the last twenty years we have regarded jobs as a disposable asset, and we have drawn whatever manpower we needed from neighbouring countries. We had grown used to the idea that the spectre of unemployment had been banished once and for all. But, as I said before, jobs are a rare commodity, and should be treated as such, especially as it is by no means certain — and on this point the communiqué is very much mistaken — that economic growth will improve the unemployment

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situation. This is something on which it is about time we got our ideas straight.

But, looking at the investment programmes of various companies, I can only conclude that all the investment is being channelled into productivity-boosting — as opposed to production-boosting-schemes, and that the net result in most cases has been to reduce the labour element in the production process. In our opinion, by constantly claiming that slightly increased growth will solve the unemployment problem on its own, you are simply misleading the public. The truth of the matter is that, since jobs are a rare commodity and economic growth will not in itself necessarily solve the unemployment problem, what we need is a new definition of full employment. While it is true that it would be wrong to introduce the 35-hour week immediately and across the board, we none the less believe that the only way of solving the problem is to introduce the 35-hour week in those sectors of industry which are particularly hard hit, and to introduce it gradually into all the other sectors over a number of years. In fact, the task entrusted to the Commission should have been exactly the opposite: taking as a basis the problems I have just mentioned — the illusion of the remedial effects of economic growth and the fact that jobs are a rare commodity — we should be constructing a development model in which employment occupies a different position from that which it has occupied in the past.

Believe me — this is far more than a theoretical debate. Do we want to have something like 1 500 000 people unemployed in a country like ours? Do we want 6 000 000 unemployed in the Community as a whole? Or would it not in fact be better to regard unemployment as something which the politicians should get to grips with and redistribute fairly among all those who want to work? It is an extremely serious matter when whole generations wonder what status work — as a fundamental element of civilization — has in our society.

Before moving on from the unemployment problem, I should just like to draw your attention to a fact which is perhaps often neglected. The essential process of experimentation which we must go through to find an alternative definition of full employment would be inconceivable at national level. There can be no doubt that nine countries whose economies are so closely interwoven that more than 50 % of their foreign trade goes on within the Community cannot risk damaging their mutual competitiveness by experimenting in isolation with new definitions of full employment. Nor can there be any doubt that, if European industry did not have access to such a privileged area as the Community to construct its own development model, different from those of the others, none of our countries — not even the richest among them — could take this course. But if we believe this new

approach to a definition of full employment to be necessary, the European level seems the most appropriate one on which to tackle the problem. It seems to me that this is one of the main arguments we should be advancing over the coming weeks, when the very future of Europe will be at stake. Everyone in our Member States must realize that the European Economic Community is the only possible framework — in both social and market terms — for the construction of a new development model.

I should now like to move onto the third problem that you yourself touched upon, namely energy. I must say that, despite the reservations you yourself expressed, we were quite pleasantly surprised at the kind of European energy policy you outlined. We realize of course that not every European policy should be as integrating or integrated as the common agricultural policy. But the mere fact that there is now a hint of a European energy policy appearing on the horizon is a highly promising development and a matter of the utmost importance.

If the unemployment problem is the most pressing political and social issue, the most worrying aspect of economic policy is the energy problem.

The decisions taken recently by the producer countries — which are the inevitable continuation of a policy we can do nothing about — and the facts of life as regards world energy resources show that, of all the continents in the world, our own is the only one to which the world energy imbalance could be fatal. Our Community is not on an equal footing with the United States, nor with the Third World, nor even with Japan as regards the world's dwindling energy resources. Perhaps this point ought to be made more often.

In the light of the new international economic order, the international division of labour and the world power structure, the Community belongs to the most vulnerable and most seriously threatened of all the world's continents in terms of supplies of energy and raw materials. We were therefore pleased to hear the European Council say so forcibly that the time has now come to tackle the energy problem in a determined fashion. I should, however, like to add a little to what you said on this point.

Firstly, I must say that we were surprised at the way you deliberately omitted any reference to Europe's subterranean energy resources. This does not mean to say that we are under any great illusion as to Europe's reserves of coal, nor that we are looking forward to some kind of miraculous oil strike somewhere in the North Sea or elsewhere. But we are not convinced about the advisability of pursuing a policy on coal which wrongly assumes that this problem can be tackled in isolation from the others, which takes no account of long-term prospects in its economic calcu-

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lations and which seems to completely disregard the fact that one day we might find ourselves — as a result of international tension — in the position of having to look to our own devices for survival. We believe that a short-term, purely financial and economic approach to the Community's coal reserves is both economically wrong and politically dangerous, especially in the long run.

Others have already made the same point with regard to the steel industry, and the logic of the argument is equally valid here.

The second point I should like to make is that coal was not included in the worldwide strategy that was outlined just now, as if only oil mattered. On the contrary, it is a proven fact that world reserves of coal are much greater than those of hydrocarbons, despite the winning and transportation problems involved in coalmining.

Turning to the question of oil, we are rather worried about what may be a contradiction — or which at least seems to be a certain lack of coherence — between two approaches you outlined just now. You set out the proposals put forward by the Saudi Arabian and Mexican Governments on oil, but you also outlined a European strategy providing for special relations and a dialogue with the Arab and African countries. Some of the members of my group are worried that, by giving priority to a European-African and European-Arab dialogue, you may risk detracting from the importance of the Saudi and Mexican venture, which Europe is now ready to go along with, and which takes a global view of energy problems in both the short and long terms. I have no doubt, Mr President-in-Office, that you will correct me if my interpretation of what you said is incorrect. I should like to go into a little more detail on the technical aspect of the Community's potential energy resources, and to say that, in your review of potential savings, we were surprised you did not mention energy savings in the industrial sector. Let me tell you about something I know from my own experience. It concerns a manufacturer in the South of France, who re-thought the entire production process in his factory, his sole consideration being the need to save energy. As a result of this experiment, he came to the surprising conclusion that industry could save more than 50 % of the energy it consumes if it really set out to redesign the production process to this end. This particular manufacturer recouped his capital outlay in less than two years.

The problem of energy saving will require a basic change in society and civilization as we know it. What we must bear in mind is that, if we want to hold on to all that is dear to us, we must make the transition from a wasteful economy to a conservationist economy. We must be quite clear in our minds as to how a society like ours can continue to expand and

grow while at the same time saving energy. In other words, what we need is an alternative consumption model. The problem facing us is not only technological; what we need is a new model of growth — indeed, of society as a whole — and we must find ways and means of expanding faster than we are at present while using less energy than we have done so far. The intellectual groundwork on this subject has perhaps not been done with sufficient rigour, because we are still too much under the influence of the American model of growth. Here again, I would underline the potential importance of research at European level. We cannot invent a new model simply on the basis of its being different from the American model. On the other hand, we can work together to bring guaranteed growth to our societies by adopting consumption patterns different from those we have always been used to.

From our own point of view, if we are prepared to give our full backing to the research which has been done into energy-saving and the technological research which has gone into new energy sources, we are bound to conclude that nuclear energy is absolutely essential, but that — because of its inherent problems — it must only be used where it really is indispensable. We do not want our generation to be accused by the younger generation of having been only too keen to introduce this essential, but — in certain respects — dangerous source of energy. We want to see the implementation of a strategy which will enable us to meet our needs without committing ourselves overhastily to potentially dangerous forms of energy. But, getting back to the main point, we support the idea of a genuinely European energy policy which would at the same time coordinate national policies, and we would ask the Council and the Commission to pursue this aim with the utmost vigour.

I should now like to move on to deal with the common agricultural policy, and let me apologize right at the outset for doing so. I have always made a point of never speaking on subjects I have personally been responsible for at executive level. I would not have broken with this tradition if the CAP did not play an essential part in Community policy as a whole. The common agricultural policy is in many ways the mainstay of the Community, and in many ways it has been remarkably successful. It has suffered from being practically the only coherent Community policy and, in particular, from not being backed up by a coherent monetary policy. The result is that today — and I would go along with what Mr Jenkins said earlier — the burden of the CAP is too heavy for the Community budget to bear, and the cost of stabilizing markets too great for the CAP. I do not want to stray into the debate in this House on the Liogier Report, in which Mr Hughes will be putting forward the views

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of the Socialist Group. I would say, however, that the time now seems ripe for Community agricultural practice to be redefined, and I quite deliberately said 'Community agricultural practice' rather than the 'common agricultural policy', because we believe that the principles behind this policy remain valid; it is just that the practice has gradually got out of line with the basic principles.

Well then, what are the realities of the common agricultural policy? To begin with, of course, there are the surpluses of various products. These are, in fact, rather less serious than some people would like to have us believe, because, in agricultural terms, we must produce more than we need to be sure of producing enough. But there are limits to overproduction. Apart from the question of surpluses, there is the fact that the common agricultural policy in its present form has made the rich richer without improving the lot of the poor. Since it is based exclusively on product-orientated aid, it has not encouraged structural change and has not performed the vital task of reducing the gap between rich and poor. And when I refer to the rich and the poor, I am not talking simply about individual farmers, but about whole regions. There can be no doubt that the northern European plains and the big-time cereal growers have done much better out of the Community than the growers of special produce, especially in southern Europe. We think the time has now come to try to redefine the practicalities of agricultural policy. Where should we begin?

First of all, by achieving a better balance between structural and marketing aid on the one hand and product-orientated aid on the other hand. The truth is that, by providing only product-orientated aid, we are favouring those who produce on a large scale to the detriment of small-scale farmers. Or, to put it another way, we are favouring those who produce storable commodities to the detriment of those who produce perishable produce. And, what is more, by bestowing this additional benefit on the better-off, we are running a risk of even widening the gap between them and the less well-off. The whole point of a structural policy is to carry on where a price policy has to leave off. With enlargement coming soon, we must develop our structural policy, otherwise the Common Agricultural Policy will lose all credibility and the very concept of Europe will be in doubt.

Secondly, I think we must try to diversify the common agricultural policy. It is an indisputable fact that there are now three categories of products, namely basic products such as cereals, sugar, oilseeds and plants, processed products such as all meats, milk and cheese and, finally, special products such as butter, wine and fruit. All three categories are bound to lose by being given the same treatment. Roughly speaking, the first category — the basic products —

are required to fulfil the world's basic needs. These needs are practicably unquantifiable, and we need only refer to the report drawn up by the World Development Bank to be aware of the prospect of 700 million people who, by the end of the century, will not have enough to live on. So, to talk of limiting the production of basic products is tantamount to rejecting the principle of solidarity between our continent, which can produce more than it needs, and other continents which, because of natural obstacles or the lack of the means of production, will not have enough to eat by the end of the century. As far as this first category of products is concerned, we must produce as much as possible as cheaply as possible. We really must rediscover the spirit of the Wheat Authority, which was created in France in 1936. We really must institute a system of progressive rates and absorption taxes.

Only this system will enable us to dispense with setting a ceiling for production levels and will enable us to sell our surpluses at prices very close to world prices. Only this system will enable us to fulfil the social aims of a producer-orientated agricultural policy and the economic and political aims of an outward-looking Community. The alternative would be a policy of quotas because, before long, the cost of the common agricultural policy would become intolerable.

At the other end of the range of agricultural products, we have what I would call special products, meaning essentially fruit and vegetables, wine and butter. World consumption of these products is very low. Butter is the luxury fat consumed by a few hundred million people. Wine is likewise the luxury drink of a few hundred million people and, even though we may dream of one day seeing the brotherhood of man knocking back the celebratory champagne, it will take a good few generations to come about, and by that time other continents will have got down to producing the stuff themselves. As far as this sector is concerned, there can be no alternative to establishing a level of production which approximates as closely as possible to the needs of the market. And what we mean by the market is the known level of consumption within the Community plus the necessary margins to enable us to develop the market.

Finally, and somewhere between the other two categories of products, we have processed products, where the main problem is the co-responsibility levy. This levy is unacceptable in its present form. It hardly does justice to the problems facing the Community's farmers to say that every litre of milk produced is equally responsible for the milk surplus. We must use the ratio system to move towards a progressive co-responsibility levy, which will serve the Community's economic and social purposes — in other words, which will benefit both producers and consumers.

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Mr President-in-Office, Mr President of the Commission, I have outlined some of the ways in which the Common Agricultural Policy must be reformed in the medium term, so as to remain true to the basic principles of the CAP, which has done a lot for Europe. On behalf of the Socialist Group, I should like to announce our intention of tabling a motion for a resolution in the course of the next few hours, in which we shall be calling upon the Council and the Commission to convene a new Stresa Conference, covering the whole range of the workings of the Common Agricultural Policy, the aim being to make the realities of the situation accord rather better with our needs. We believe that the annual budget debate, like the annual prices debate, is unduly dominated by short-term considerations, and that it takes too little account of global and historical facts. What we need one day is a moment of grace, when governments and the Commission, producers and consumers, and perhaps also specialists in regional problems, ecologists and food manufacturers will get together, get back to basics and redefine Community agricultural policy.

Mr President, Mr President-in-Office, I am sure I have gone on for far too long. I just hope you will bear in mind the basic idea behind the Socialist Group's last proposal. In a few weeks' time, we shall be electing the first directly-elected European Parliament. If we see no progress in terms of Community policy, no new definitions or new aims, either the election will have been in vain — and democracy will be the ultimate sufferer — or we shall have ill — defined policies, and Europe will run the risk of falling victim to opposition within the European institutions themselves.

(Applause)

IN THE CHAIR : MR ADAMS

*Vice-President*

**President.** — I call Mr Bertrand to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Bertrand.** — (*F*) Mr President, I can go along with about 80 % of what Mr Pisani has said, since, if he has really put forward the views of the Socialist Group with moderation, I have no more fears for the future of Europe. However, I have my doubts.

(*The speaker continues in Dutch*)

Nevertheless, I should naturally like to make a few comments on behalf of the Christian Democrats. Firstly, I should like to thank the President of the Council on behalf of my group for the great effort he has made to explain once more in his speech the conclusions reached by the European Council — which already covered nine pages. We now have an overall picture of what the European Council wanted to make public. Of course, the conclusions contain

nothing regarding those matters which the European Council would prefer to keep to itself, nor did the President make any mention of them, so I should like to ask for some information on these points.

Personally, I totally share Mr Pisani's doubts regarding the usefulness of the European Council in the future. I also feel that it has been demonstrated yet again that making this *ad hoc* body into a permanent institution does not meet the objective laid down in December 1974 when the intention was to put an end to the intermittent summit conferences which were convened only when the Community found itself in difficulties which had to be discussed at the highest level. An *ad hoc* body was then set up without any modification of the Treaties and a programme of three meetings per year was drawn up at which the most pressing problems would inevitably have to be discussed. Now that it has been decided that the European Council will meet again on 21 and 22 June this year, it is almost inevitable that pride of place will be given to the problems of May and June, and the major objectives of Community policy will have to take a back seat. It became patently obvious at the last European Council that some Heads of State and Government use the European Council for their own domestic purposes and that some try to use it as a platform for their own domestic policy with an eye to the elections in their own countries, which means that the major problems of Europe do not receive the attention they require.

One of the clearest examples of this was the strange attitude adopted by the British Prime Minister at the last European Council, when he suddenly brought up problems which are not normally dealt with in this way, since they are not intended for the media. This gives one the impression that what he had in mind was not to find a solution, but to gain publicity for certain demands. I could not fail to notice that, after the press conference given by the French President, first Mr Jenkins, as President of the Commission explained — and quite rightly — the views of the Commission on the results of the Council, but that he was followed by the British Prime Minister who also stated quite explicitly the points he had brought up. This is clear evidence of a trend which could seriously jeopardize our attempts to find constructive Community solutions in the future. For this reason, I go along completely with Mr Pisani when he says that we must look into this problem seriously, since otherwise there is a risk of us ending up with a system of communiqués in which 85 % of the content consists of statements repeated after every European Council. Mr Jenkins has already said that he hopes that this time the challenge of the crisis in Iran will be sufficient to make us get down to developing a genuine Community energy policy and that we will not have a repetition of what happened in 1973 when Mr Simonet was

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still a member of the Commission and there was already a cartload of Commission documents before the Council of Ministers of Energy containing plans for a common energy policy on which, however, agreement was never reached. I hope that the new threat, of which you are clearly very aware, will act as a real stimulus and that the tasks of the Commission and the need for more solidarity and consultation on the question of energy, which you described so clearly, will be put into practice, and that this, as Mr Pisani said, will not be restricted to the European Community. We are in fact the most vulnerable part of the world as regards raw material supplies, and in view of our lack of energy and raw materials it is vital for our industrial and economic development that we should try to come to some joint arrangement with the rest of the world. I regret — and I share Mr Pisani's opinion on this point — that the proposed African-Arab-European Conference might be overtaken by the Mexican President's proposals for a world-level approach to the problem of energy supply.

I am well aware that in saying this I am detracting a little from the ambitious projects the French President has in mind in his proposal to set up a European-African-Arab Conference which would not be restricted to the problem of energy, but would also deal with the complementarity to which we are bound in matters of economics and technology etc. I am thinking of our own culture, and our common urge to preserve our independence, regardless of the current moves by superpowers to extend their sphere of influence as part of a new world order. It is a very important fact that we have something in common in this respect which should bring us together.

However, I should like to ask you, Mr President of the Council, whether or not you have also considered further intensification of the Euro-Arab dialogue? Or do you discount this possibility in view of the new initiative on the part of the French President? There is a certain risk that this may be the case, and we must realize all the consequences this could have for our relations with the Middle East at the level of the Euro-Arab dialogue which we ourselves originally set in motion. This Dialogue is not limited to economic, financial and technological cooperation, but has also been extended, under pressure from the Arabs, to cover political matters too. I should like to draw your attention to these points so that the dialogue does not come to a complete stop.

While we are on the subject of world-level politics, I should like to ask whether the President of the Council reported on his talks in Guadeloupe? Was this subject mentioned? After all, it was in his capacity as President of the European Council that he took this initiative too. Were the points discussed in Guadeloupe also dealt with at the European Council? In view of the break-up of CENTO and the need to protect Western interests in the Middle East following the events in Iran, has the European Council also

considered the fact that Turkey is also currently on the verge of collapse, and that it can no longer pay its bills? Was the possibility of taking action on this matter discussed in Guadeloupe? I should be grateful for an answer to this question since, when one is talking about a possible Euro-Africa-Arab Conference one immediately comes up against a number of points which are extremely topical at the moment, and in view of the fact that a few weeks ago the President of the Council took the step of convening specific conferences and putting forward specific viewpoints, it would be interesting to have a little more information on this matter.

Finally, I should like to go further into what you said in your speech. I should like to go through the various main points together with you. You spoke about the further development of the Community. I can give my support to the analysis made by the European Council on the basis of the Commission document. Various positive aspects were mentioned in connection with economic development, i.e. increased growth, a slower rise in the inflation rate and an improvement in the balance of payment situation. However, you immediately added that, in spite of these positive aspects, there had been no improvement whatsoever in the situation which represents a major challenge to the Community, namely the level of unemployment and the fact that we are not managing to get the employment off the ground.

I hope you will forgive my frankness, which is the hallmark of a trade unionist, but I have the impression that much of what has been said here at such length about the social aspects of the question was to a great extent inspired by the current social situation in some of the Member States.

These problems had to be taken up somewhere, at the highest level. It may be that what has been said may for a time generate a little hope. However, there is an even greater risk that the disappointment in a few months will be very great, when people realize that, yet again, these were just abstract political statements with no real substance whatsoever.

You have asked the Commission to look once more into the question of what specific action is possible. I should like to ask you to take another serious look at the documents which the Commission has already submitted to the Council. If you do, you will realize that Mr Vredeling has already made a number of proposals regarding the redistribution of work, the abolition of overtime, measures to tackle the problem of unemployment among young people, premiums and a system of training periods. However, the Council's reaction has been somewhat lukewarm and so far, it has not come to any decisions.

Therefore, you should exercise a little caution since, if you go no further than carrying out still more studies, you will be running the risk of incurring the wrath of the two sides of industry, since there has already been a long list of studies. I am well aware that it is not easy



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to make concrete proposals — I cannot do it off the cuff myself either — but I can suggest a few days in which you might achieve greater coordination in the fight against unemployment since, as we Christian Democrats see it, the six million unemployed, including innumerable women and young people without vocational training, are currently the major challenge facing the Western European Community — if I may call it that. I agree that we cannot solve this problem by waving a magic wand but, unlike the Socialists, I feel that a free and social market economy offers much more flexibility for action against unemployment than the planned economy some people are trying to establish through collective and state intervention in active industrial life. The free, social market economy offers certain flexible solutions, such as the promotion of qualitative growth, modernization, new technologies and new research, which have much more chance of success in small and medium-sized undertakings. In addition, we have ever increasing commitments vis-à-vis the third world which might provide new markets which in turn could lead to new investment and hence new jobs.

Mr Pisani is perfectly right in saying that over the last three or four years investment has been almost exclusively limited to rationalization with a view to increasing productivity, and that this has resulted in a loss of jobs. However, what Mr Pisani did not say is that without these measures, certain sectors would perhaps have totally ceased to exist, which would have led to even greater unemployment than we have at the moment. We must take account of this too, Mr Pisani, if we are to give a complete picture of these problems. I also fully agree, incidentally, that it is not possible at this stage, in view of the economic situation in the Community, to introduce the 35-hour week, and that singing the praises of the 35 hour week is mere tub-thumping. We must indeed look into the possibilities of redistributing work, possibly by reducing working hours and creating more jobs, but not with a view to effectively increasing income by reducing the hours worked. This is how we Christian-Democrats view the idea of reducing working hours, i.e. sharing the available work among more people, rather than effectively increasing income by reducing the hours worked. I should like to stress this point, so that there will be no further confusion in the Community.

Finally, we also agree that qualitative growth alone is not enough. Reducing working hours might be a good way of reducing unemployment, and I am glad that the President of the Council also made this point quiet clearly in his speech. Collective labour agreements in any field cannot be imposed by the governments — they must be concluded by the two sides of industry themselves following negotiations. I should therefore like to urge that we in the Community make more efforts to establish sectoral joint commit-

tees of the two sides of industry as these are the people who should look into the problems.

I have no wish to interfere in internal affairs, but I have the impression that if the proposal I made a few weeks ago in the Social Affairs Committee regarding the steel sector had been followed, i.e. to put a stop to all dismissals until the negotiations on the entire problem had yielded some results, certain events would not have taken place in the countries in question.

*(Applause)*

However, no one took my advice and it subsequently became clear that the employees had not been sufficiently involved in the negotiations on restructuring problems this resulted in a general alienation of the two sides of industry and the consequent social unrest. I should like to draw your attention to this today.

I should like to ask the Commission — and I am speaking here particularly to Mr Jenkins as its President — to aim for greater coordination in outlining the specific measures to be discussed at the tripartite conferences between the governments, employers and employees, by making use of the instruments already at your disposal. The appropriate instrument is the European Centre for the Development of Vocational Training in Berlin, which has an administration board consisting of 9 government representatives, 9 employers' representatives, 9 employees' representatives and three Commission representatives. This board is competent to examine, with the help of its staff, the entire problem of vocational training for young people and adults and to make proposals. In addition to this, studies of various kinds are also carried out by the Commission's Directorate-General for Social Affairs, which thus performs the same function, and on top of all this there are the proposals which come from the Member States, trade unions and employers etc. However there is no coordination of all this with the result that we have an enormous pile of documents but cannot deal with certain problems inconsistently.

Why do we not entrust the European Centre in Berlin with the task of studying the problem of vocational training and unemployment among people in a scientific fashion in view of all the possibilities for coordination there are in this field? Why do we not for once look at the problem of vocational training from the woman's point of view, so that women may have more chances in the future? Why do we not for once seriously come to grips with the problem of vocational training for migrant workers? After all, Mr President, we can all see that the rate of unemployment is inversely proportional to the level of occupational training. There is a corresponding drop in unemployment wherever people have had a good vocational training, but where the training has been inadequate we find widespread unemployment. This problem is at its

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most acute in the case of unskilled workers. Why do we not take advantage of this institution to look into this problem seriously?

Then there is the problem of further education. Perhaps it would be possible, on the basis of certain concrete proposals from the Commission to agree at a subsequent tripartite conference to tackle these problems at Community rather than national level in future, which would enable us to carry out a comparative study of the various national vocational training systems.

In short, I should like to suggest that now you yourselves have set up this centre, which receives a few million u.a. per year from the Community budget, you also make use of it, so that the results of its work will be able to serve as a basis for progress in this field.

Mr President, I should just like to make one more comment on the agricultural policy. I am not an expert on agriculture and would just like to ask the President of the Council a few questions in connection with the five points regarding agriculture which he brought up in his speech. The Council has reaffirmed its commitment to the Common Agricultural Policy, which means that it continues to adhere to the basic aims of this policy, i.e. guaranteeing food supply for the population at reasonable prices and guaranteeing a reasonable income for farmers. These then are the aims of the agricultural policy, which costs us a great deal of money, since it takes 75% of the Community budget to maintain normal prices and guarantee a reasonable standard of living for farmers. However, I have taken due note of this statement. Secondly, according to the President of the Council, there are a number of shortcomings in the agricultural policy which cause imbalances in the market. We must remedy these shortcomings, and I agree with him on this point.

However, what is meant by the phrase 'to conduct a price policy adapted to the situation'? Is this a compromise solution, in view of Mr Callaghan's proposals for a price-freeze? Or does it mean that you are against the freezing of agricultural prices? I think you should define what you mean by 'a price policy adapted to the situation' a little more clearly so that, as Members of Parliament we can explain to our farmers tomorrow what this means so that no tensions will arise.

In addition, then, appropriate measures must be taken for the various products. Naturally, we must get rid of the milk surpluses, certain meat surpluses must be eliminated at certain times, but the questions which remain are 'when' and 'how'?

Interest was also expressed in improving the structural policy. I can go along with all these things, but I should like to know if what you have in mind here is to meet the challenge of the British Prime Minister's refusal to join in the EMS, which we deeply regret.

The Christian Democrats, too, urge the British Government not to continue going it alone, which will inevitably have far worse consequences for the United Kingdom itself than for the Community as a whole. We too would like to assure the people of Britain that the door will remain open for them, and we hope that they will join us in the EMS as soon as possible.

An Englishman with a distinguished career behind him, Mr Jenkins, has done all in his power to achieve this and we are all convinced that is essential genuine stability within the Community. However, I repeat: does this mean that we are taking up the challenge of the British Prime Minister, who advocates a total overhaul of the agricultural policy and regards it as a precondition for continuing British membership of the Community? I should be grateful for some clarification on this point, so that we can explain the situation more clearly to the people whom we represent.

These then were a few points which the Christian Democrats wished to make in connection with the recent European Council. We do not regard the outcome of the meeting as negative, but as positive. However, we regret the formulation used in the communiqués, which seem calculated to give the impression that you are putting forward new ideas, whereas you are in fact only repeating what has already been said so often on all these problems. I urge you to change your tactics if you do not wish the European Council slowly but surely to lose credibility which would mean that we would be faced with a complete vacuum just at the moment when we needed an authority to deal with really serious crises in the market. We hope that the European elections will provide a stimulus, that the directly elected Parliament may be able to encourage us to return to the principle of majority decisions in the Council, so that the Community institutions will be able to operate efficiently, and that we will be able to put an end to the paralysis of the Commission, and thus perhaps generate fresh hope in the people of the Community.

*(Applause)*

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

**Mr Pintat.** — *(F)* Mr President, Mr President of the Council, Mr President of the Commission, ladies and gentlemen, the European Council has just met at a time when the political situation in most of the Member States is extremely difficult. We thank the President of the Council for his very clear and complete statement which has provided us with the details essential for our work. Political crises are raging in Belgium, Italy and the United Kingdom. In Denmark, Ireland and France the industrial scene is in turmoil. In all the countries, although perhaps to a lesser extent in Germany and Luxembourg, we see the sad combination of unemployment and a high inflation rate.

## Pintat

Against such a sombre background, the success of the last European Council in Paris is a clear and impressive demonstration of the Community's capacity to find a new way forward. Let us first express unbounded satisfaction at the launching of the European Monetary System. Eight of the Member States have taken a great step forward on the road to Economic and Monetary Union. It is unfortunate that the ninth Member State of the Community has been unable to join in and we look forward to welcoming it amongst us as soon as possible.

But as Members of the Parliament of a developing Community, we must start thinking now about future stages and prospects for development.

The sovereignty of a national entity lies essentially in three fields: foreign policy, defence and currency.

A common foreign policy is very difficult to achieve. Since the failure of the EDC, we have become aware of the difficulties of achieving a common defence policy. Only progress on the third road, that of achieving a common currency in Europe, seems to be within our grasp. We Liberals think that the EMS must be seen as part of a world wide trend towards the setting up of various monetary zones. It is not intended to be in opposition to the dollar, but on the contrary to strengthen it through a better division of responsibilities in the economic world. As you so rightly said, Mr President, it is Europe on the march.

As of now, we must make provision for loans issued by the European institutions to be in ECUs. The aim would be to achieve a single European currency as soon as possible. Controlled floating within fixed limits can only be a first stage. It is clear then that the EMS is an essential precondition for progress towards the future Economic and Monetary Union. Its full importance emerged particularly in the course of the long agricultural debate which we held here yesterday.

The Liberal and Democratic Group is pleased with the gradual phasing out of compensatory amounts and with the agreement reached in Paris which opens the way for the improvements necessary to the proper functioning of the Common Agricultural Policy, while respecting the aims set by the Treaty of Rome. It is necessary to ensure both social progress in agriculture and prices which achieve guarantee market equilibrium.

In this first speech in this House the President of the Commission said that it was of supreme importance to reduce the gap between the rich and poor regions of the Community. He was right then and still is.

That is why the Liberal and Democratic Group has repeatedly called for an increase in the resources of the Regional Fund, but such an increase must not be at the expense of the Common Agricultural Policy. At the time of negotiating its accession and again at the time of renegotiation, the United Kingdom accepted

once and for all the principles of this Common Agricultural Policy, and it must respect them.

We have great sympathy and understanding for the wish of governments to receive aid for the regions of their countries beset by difficult problems of industrial underequipment and underemployment, or simply of poverty. But it is certainly illogical that these same governments should prevent the extension of the Community's powers in regional policy while at the same time protesting against the Common Agricultural Policy which not only aids the poorest regions of the Community such as Northern Ireland, but also guarantees European consumers a constant supply of foodstuffs. The critics of the Common Agricultural Policy would do well to ask themselves whether they prefer Europe dependent on imports of foodstuffs which can be produced in Europe, as is the case for energy raw materials.

Such a policy would certainly not be of benefit to the half of the human race which continues to subsist on the verge of famine. The critics should ask themselves whether a surplus in food production, relatively small when all is said and done, is not preferable to the cost of a deficit in that other essential sector for everyday life, namely energy.

Energy is to the European economy what oxygen is to the human body. Its absence soon leads to the collapse of the standard of living, a dramatic fall in employment, the paralysis of urban activity and agricultural work and all the consequences which one would expect from the cutting off of supplies for heating, lighting and transport. First and foremost, we must realize that energy supplies for Europe cannot be dissociated from those for the rest of the world. We are all interdependent.

The present troubles in Iran which are jeopardizing the exports of the world's second largest hydrocarbon exporter underline, as if there were any need to, the precariousness of energy supplies for most of the industrialized countries. Oil and gas represent two-thirds of the energy resources of the OECD countries. The Community's dependence is 56 %, as you reminded us just now, Mr President-in-Office.

The situation is all the more serious for our European countries in that 80 % of the production of hydrocarbons available for export is concentrated in the hands of a small group of states nearly all situated in the Middle East.

There are those — and Mr Pisani was one of them just now — who often speak of an eventual return to coal. But there would have to be enough of it for it to be commercially viable. Let us remember that France, for example, with 215 million tonnes, is the second largest importer in the world after Japan. This shows how very limited the scope for international trade is in this sector.

**Pintat**

It must also be added that by confining ourselves to the physical shortage, we would not be tackling the aspect — at least as worrying — of the cost of supplies, for even if the price of oil has gone up 500 % in the last five years, its growing scarcity will make producers increase their demands even further. There is already talk of an additional increase of 10 to 20 % for light petroleum products from Algeria and Iraq, and even in the countries regarded as the most reasonable, such as Saudi Arabia and the Arab Emirates.

We are in fact convinced that any solution capable of coping with the needs of tomorrow's world depends on the use of advanced technology, which is the fruit of the research and imagination of scientists — a sector in which Europe thanks to its industrialists, is well to the fore. We must use this capacity for invention and discovery either to master fast breeder technology which will make uranium resources last a thousand years longer, or to make nuclear fusion commercially viable, or to use the renewable resources provided by sunlight or by biology.

But it must be born in mind that in this sector the factors of time and money play, and will continue to play, a considerable part. Indeed, it usually takes ten years from the time of prospecting for oil before the petrol flows into the tank of a car. It takes almost ten years to build a nuclear power station. Finally, we shall not be able to control nuclear fusion until the year 2000. From thousands of millions of francs we have moved to tens of thousands of millions of dollars, and this indicates the urgency and importance of the decisions to be taken on these investments and also, for countries of the size of France, of grouping together on a scale large enough to cope with these gigantic tasks — a scale which for us is of course that of Europe.

We are pleased with the latest statements by the Club of Rome, which after first proposing as a solution the limitation of growth, has just adopted a report stressing the urgent need for a voluntarist energy policy to be implemented with the aim, as President Carter put it, 'of showing the decision-makers that there is a threat to humanity hardly noticeable today, but which tomorrow could become just as serious as a nuclear war'.

In the energy field, the European Council confined itself to reaffirming the objectives for 1985, as it had already done at Bremen and on earlier occasions. It also once more expressed the hope that national policies would be coordinated, but the very laudable hopes of the European Council at Bremen have remained a dead letter. Of course, we fully agree that the efforts to save energy and develop alternative sources should be increased, but the expressed intention of the Heads of State and Government to reduce the energy dependence of the Community to 50 % by

1985 seems illusory if the Member States do not accept the means of achieving this, as has been the case up to now. Our governments must realize that the juxtaposition of national policies will never achieve more than limited results. A European energy policy can never be produced by adding together the national energy policies.

The Community must act as a whole in the energy sector. The European Council raised the question of non-proliferation, but, it seems, without precisely mentioning the Euratom Treaty. Well, that Treaty exists and, with nuclear energy likely to expand, is essential for Europe's future energy supplies; it can even play a role which its signatories did not foresee in 1957.

In fact, the Euratom Treaty is silent on these questions of non-proliferation, which today are essential elements of our countries' nuclear policies. Thus the various aspects of nuclear energy cannot be separated.

To meet the needs of the Member States, we need a European framework at once sufficiently flexible and sufficiently protective to develop a form of energy which is now indispensable. The Euratom Treaty at present constitutes a brake on development, if it is confined to the restrictive aspects of guarantee and control, without the positive counterweight of the launching of a European nuclear industry.

Finally, a positive development in this sector is the call for a dialogue with the producer countries. It is time the Nine realized the need for such consultation. The North-South dialogue was the prototype of this. Two years had to pass before its usefulness was at last understood. Let us hope that it does not take so long to organize such a dialogue. The additional plan for a large-scale conference involving Europe, Africa and the Arab producer countries, proposed by the President of the French Republic, must be supported by all Europeans, it is a way of getting the North-South dialogue out of a rut in the short term, and of giving fresh impetus to the essential dialogue with the producer countries.

May I stress that only international consultations is capable of sparing us disasters and crises in the energy sector. It is the only way of avoiding petrol and fuel oil rationing cards and the escalation of prices with all the economic havoc that entails — all of which are just round the corner.

As I said at the beginning of this speech, there is a striking parallel between the energy consumption curve and the growth curve of a country. A growth rate of about 4 % is needed to avoid an increase in unemployment — a condition which is in any case necessary even if it is not sufficient, as Mr Pisani suggests. On the other hand, I agree with Mr Bertrand that qualitative growth is not enough. It is very encouraging for us that the Heads of Government of the Nine have acknowledged that the curse of unemploy-

**Pintat**

ment should be one of the main preoccupations of the Community in the next few months. Our fellow-citizens, and above all the youngest amongst us, have the right to expect all the Member States to spare no effort in bringing this serious problem under control. But national measures on their own will not be enough. This is a field where European policy is essential. For example, one way of reducing underemployment and improving social conditions would be to shorten the working week, while of course maintaining incomes at the same level. But if a single Member State of Europe failed to adopt this measure, the conditions of economic competition would be distorted. We therefore agree with the suggestion which the President of the French Republic made to his partners for a study on the gradual reduction of working hours in Europe to achieve an average working week of 35 hours throughout the Community.

In this spirit, the Community must take effective social measures to help iron and steel workers in the threatened sectors. We must not let it be said that the winding up of the iron and steel industry in one Community country is due to the action of iron and steel workers in other Community countries. From the very outset xenophobia must not be allowed to raise its ugly head. To do so we must show imagination, make better use of the various European funds and improve consultation with the two sides of industry.

We must prevent this situation from driving public opinion to nationalist solutions and take Jena Monnet's message to heart. It is in difficult times that the most imagination must be shown to help the advance of European integration. Indeed, however serious the other problems, the major worrying concern of European public opinion is that of full employment and the fight against unemployment. In the months to come, it will be realized that this fight must take precedence over all others in the life of the Community.

Another sector where more remains to be done on coordination is that of foreign policy cooperation. Because it is not expressly provided for by the Treaty of Rome, we react to events instead of foreseeing them. Important mediation initiatives are taken in neighbouring regions — the Mediterranean and the Middle East — without the Community as such making a contribution.

However, the Helsinki Final Act, which produced some, albeit insufficient, international liberalization, was made possible by the common position of the Nine.

With regard to the current institutional reform, we consider that the improvement of the mechanisms for coordinating foreign policy and for consultation at the United Nations and in the major capitals must be our

prime concern, in view of developments on the international scene, where the balance of power in the West, as decided on at Yalta, is in the process of shifting.

In conclusion, the European Community, with its 250 million citizens, its vast land area, its wealth, expertise and sophisticated technology, has the necessary capacity to meet the challenge of our times.

In the course of its long history, Europe has often seen movements or at least impulses tending towards union, but when it came to putting these plans into practice the old nationalist demons have always reared their heads and resumed control. The fact that elections to the European Parliament by direct universal suffrage are at long last about to take place marks a point of no return. On this road, Mr President, the Liberal and Democratic Group will always be behind you and will show that confidence in the Community which you hoped for at the end of your speech.

*(Applause)*

**President.** — The proceedings will now be suspended until 3 p.m.

The House will rise.

*(The sitting was suspended at 1.10 p.m. and resumed at 3 p.m.)*

**IN THE CHAIR : MR COLOMBO***President*

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

The next item is the continuation of the debate on the Council and Commission statements on the European Council in Paris.

I would remind you that this debate should be over by 4.30 p.m., including the replies by the Presidents of the Commission and the Council.

It is essential for the debate to be over by that time, so that we can proceed to voting time, so I would once again urge the spokesmen for the political groups to be as brief as possible.

I call Mr Fletcher-Cooke to speak on behalf of the European Conservative Group.

**Mr Fletcher-Cooke.** — Mr President, of course I shall respond to your request, but I would say, without, I hope, any intemperance or impudence, that I would do so the more readily if we had started at three o'clock rather than at ten past three.

I speak on behalf of the European Conservative Group, and that is no platitude in this case, because, as is well known, there are differences between our British and our Danish Members on the subject of the common agricultural policy. Nevertheless what I am going to say is, I think, agreeable to all members of the European Conservative Group.

## Fletcher-Cooke

I start with the European Monetary System. I listened with great interest to the speech of the President-in-Office, who, unfortunately is not with us at the moment, on the subject of the British absence from this system, and I thought he did the British some injustice. What he said was that the door was open to British participation and he hoped that the British would cross the door. That does the British position a great injustice. Most of the European Monetary System has been acceded to and signed by the British Government. The question of putting our reserves at the disposal of this system was agreed to by the British Government. It cannot be too often repeated that the bulk of this system has been unanimously accepted by all Nine governments. We agree with the institution — when I say we, I mean the British Government — of the *numéraire*, of the ECU, of everything except the immediate joining of the snake. I personally regret that we could not do that. But that is a small part of the system; that is a temporary part of the system, and it may very well be that it is to the advantage of Europe that we have not joined it immediately, because it would not be good for Europe that the pound should be subject to world-wide speculative pressure at this moment; it would have been liable to support from all the other currencies of Europe if we had joined the snake. I therefore think that the fact that we have temporarily been unable to join that small section of the European Monetary System may even be to Europe's advantage.

I will say no more except this about the EMS: I totally agree with the President-in-Office when he quoted Mr Jacques Rueff as saying that it is with the monetary system that Europe will sink or swim.

I entirely support that, and I would like to add my praise and congratulations to the President of the Commission, Mr Jenkins, who has in a very short period of months rather than years from the time he made his speech in Italy under a year ago managed to achieve what nobody at that time could have believed possible — namely, a firm foundation to the new European initiative. It certainly is the most important feature of his presidency so far, and as an old political opponent I would like to congratulate him upon it. As I say, the British have not merely stood at the threshold they have one foot across the threshold and the other foot, I am convinced, will cross the threshold as soon as possible.

Well now, that, I am afraid, must bring any British speaker in this debate to the subject of the common agricultural policy, which, whatever the communiqué may say and whatever the President-in-Office may say, certainly must have been one of the dramatic features of the meeting on Monday and Tuesday. And I say straight away, as far as my group is concerned, we do not disagree with the common agricultural policy as such. It has in fact provided and secured

adequate supplies of food at reasonable prices. In a world where food is getting scarcer and prices are rising, it avoids the risk of scarcity at a time when the world's population is increasing rapidly and placing demands on the world's available supplies of food.

When the renegotiations for Britain's membership of the EEC were completed in 1975, the British Government told the British people that the conditions applying to agriculture were satisfactory. That was not my government, that was a Labour Government. Nevertheless, the way things have worked out have not been fair. This is not something fundamental to the CAP; it is something that can, I think, be rectified.

The criticisms of the common agricultural policy, though widespread and deeply felt, have never really been constructive or detailed. A lot of people grumble about them and I do myself, but nobody has ever, within the framework of the CAP, put forward a detailed alternative. I think those who criticize it the loudest are under the greatest obligation to do so. However, there is no doubt that, at present, it weighs much too heavily upon the United Kingdom and is going to weigh even more heavily upon it in financial terms as the years go. And I do implore our French and German colleagues in particular to realize that we cannot, any of us who come from the United Kingdom, let this continue indefinitely. If the CAP is to be saved, it must take account of what President Jenkins said this morning, namely, that it is not possible to budget for predictable surpluses. Unpredictable surpluses are something that nobody can avoid, but predictable surpluses should not, and cannot be budgeted for in the future. I have the optimistic feeling that the process of enlargement, curiously not mentioned by the President-in-Office in his speech this morning, will itself provoke the fundamental changes in the Common Agricultural Policy which are required, because there will be many more votes for changes when we come to the enlargement discussions than there are as the Nine are constituted at present.

There is one solution to this problem which I am strongly against, and that is to duplicate the follies of a common agricultural policy by what is sometimes called a common industrial policy. The words 'common industrial policy' mean all things to all men and mean different things to different men, but what I would strongly warn this Assembly against is the idea that those such as the United Kingdom who suffer under the common agricultural policy could be compensated by the sort of interventionist ideology that informs the agricultural policy when translated into an industrial policy. Put dramatically, and perhaps unfairly, this would mean creating a steel mountain or a textile lake to correspond to the butter mountain and the wine lake. That would seem to me

## Fletcher-Cooke

to be the worst of all possible solutions. That would be creating two enormous blacks in trying to make one white. So, let us have nothing to do with any common industrial policy which is interventionist and dirigiste on those grounds and which would produce the sort of surpluses which are the plague of agriculture in our continent.

Perhaps I have now said enough about those things. I conclude — and you have asked us to conclude rapidly — on a sombre note. I have no doubt that the Council and the Commission are doing their very best within Europe's limitations to conquer the twin problems of inflation and unemployment, and I think within their limitations they are doing very well. But of course there are enormous limitations. Member States are far from the relatively satisfactory economic and social situation which existed in this Community in the 50s and 60s, and this is, of course, because of the burden of oil imports on the balance of payments of individual Member States. The increase in the price of oil is the pace-setter for inflation in our day. If a broad estimate of the cost of oil to the Community was \$ 50 billion in 1978, the prospect of \$ 100 billion for 1979 carries the threat of an inflation level in the Community worthy of a banana republic. If the rate of inflation in the Community cannot be controlled, what other aspects of domestic economic policy — and by domestic I mean European economic policy — can be of any avail?

The governments of Member States are no longer in control of their own economic policy. Some fix their own budgets by adjusting the money supply, and are parsimonious about the budget of the political institutions which should be aiding the Council in determining solutions which evade the European Council and the functional councils. Let us not forget that the enormous imbalances in trade with the major oil-producing nations is becoming a tax on the efforts of all Community workers. Those who enjoy employment bear the burden of earning, through their productive effort and services, the means to pay the exorbitant price of oil. The oil earnings of the OPEC nations constitute a flow of cash which overreaches, by many orders of magnitude, the purchasing power of these nations. When I hear the worthy and agreeable determination of the Council of Ministers and the Commission to keep the volume of Europe's oil imports over the next 10 years at the 1978 level, I wonder if they realize that in terms of value, as opposed to volume, the financial consequences are of such a magnitude as to nullify all the efforts in the question of volume which they have so worthily undertaken.

My attitude to this meeting of ministers is that I hope they will not take too tragically — and I am sure they will not — our domestic disputes about the common agricultural policy, and about the EMS, for as I have said, as far as my country is concerned, I regard both

of those problems, particularly that of the EMS, as soluble, and soluble very soon. What I regard as intractable, insoluble, is that relating to the external relations of our Community, because I see no sign that our continent is going to be able to cope with its energy problems within its own powers.

*(Applause from the European Conservative Group)*

**President.** — I call Mr Sandri.

**Mr Sandri.** — *(I)* Mr President, as very little time is available to me, I shall confine myself, after thanking Mr François-Poncet and the President of the Commission, Mr Jenkins, for their contributions, to making some very brief comments on a few questions on behalf of the Italian Communists.

First and foremost, although the Council's approach to problems such as unemployment, inflation, oil prices, and trade relations with Japan is precise and specific, it seems to us that the solutions which it goes on to propose are on the contrary often vague, sometimes elusive and at other times repetitive.

Firstly, we accept that the great importance of the entry into force of the European Monetary System should be stressed, but after stating that the system must rest on closer convergence of the policies and economic measures of Member States, what precise consequences has the Council drawn from this statement? This question was the essential point of Mr Mascagni's Oral Question, officially withdrawn, which I cannot go into now, but which we may take up again on another occasion.

The proposals intended to combat the scourge of growing unemployment seem rather modest to us, for this is an evil which can undermine the Community structure and even more the very bases of the institutions and democratic system of our countries. Of course there was mention of a possible reduction in working hours, and of tripartite conferences; and action in the various sectors — women, young people, etc. — has been called for. But it seems to us that the Council has fudged the essential point, which was made in masterly fashion by Mr Pisani, and with which we wholly agree. In short, if it is true — as Mr François-Poncet implied — that time will tell, well, we believe that for too long a time even the highest levels have ignored the need for a fundamental rethinking of the philosophy — I am not talking of metaphysics or rhetoric — on which the life of the Community is based. In our judgment such rethinking should start with the various structures of the Community. Indeed, in our view, one cannot continue to hope for the entry of the United Kingdom into the European Monetary System or express doubts about Mr Callaghan's so-called ultimata and then be content with a sort of confederal structure which leaves out the contribution and full participation of Britain. We think the Community has

**Sandri**

vital need of the United Kingdom, and that means taking due account also of its demand, because if that country remains on the margins of Europe, Europe will become — and is already becoming — a completely different thing.

Rethinking must also cover the foundations of the common agricultural policy. Our position on this was explained yesterday by Mr Vitali, who on the one hand opposed the Liogier report, and on the other supported — with some reservations, but unambiguously — the Commission proposals, which incidentally were not shared but rather contradicted by the European Council. In Mr Pisani's speech, we noted very insignificant convergences of view and suggestions, and we shall follow very closely the Socialist Group's proposal for a 'new Stresa', because it seems to us that, if agricultural Europe continues to follow the road it has taken, there will be a risk of collapse at the end of that road, and not only for the common agricultural policy, but for European integration as a whole.

Finally, with regard to the external relations of the Community, we do not think we have sufficient information at our disposal to judge the proposal for a Europe-Africa-Arab League meeting made by the President of the French Republic. Of course, the reason put forward by Mr Bertrand, namely the danger of overlapping with negotiations already in progress with the Arab League and the African countries — overlapping and therefore deviation from such current negotiations — makes it necessary to maintain a reservation, not least because of the risk that such a proposal may be understood as a new European contribution to the tendency — which can be seen on a world scale, and which we regard as pernicious, — to divide the Third World once more into spheres of influence.

A completely different matter is the proposal by the Mexican President, Mr Lopez Portillo, for worldwide consultation between oil producers and consumers. In this connection Mr François-Poncet told us that the energy crisis must be tackled by saving energy and diversifying sources. We agree with all this and with European independence in the energy field; however, we know very well that the decisive battle will be fought not so much on the battleground of independence as on that of interdependence with the countries of the Third World, whether they are oil exporters or not.

Well, we are talking about distant prospects — a conference which should take place, and whose terms of reference are still nebulous, between Europe, Africa and the countries of the Arab League — we are talking of Lopez Portillo's proposal, and in a few weeks the fifth UNCTAD Conference will meet in Manila and deal with this specific subject among others. We deplore the silence of the European

Council on this Conference which — I repeat — will be of extraordinary importance, and in deploring that silence we would express the hope that at Manila the Community will avoid the mistakes of previous regrettable occasions, present a united front and put forward proposals for a broadening of relations and cooperation on equal terms in the mutual interest of Europe and the Third World. We hope that it will cease to drag its feet with regard to a dialogue which, through one postponement after another, risks petering out without achieving anything, thus aggravating the disorder in relations between the industrialized world and the Third World, and therefore in international relations as a whole.

Mr President, during recent international events, with their tragic burden of hostility and war — particularly in South-East Asia — statesmen and governments of Member States of the Community have shown restraint, called for moderation, and refused to play off one country against another, which would only aggravate the crises until they become irreparable. We even gave the Italian government full credit for this at the very moment when our party was withdrawing its support because we did not allow ourselves to be influenced by calculations which would have been very unworthy. From these attitudes of caution, prudence and wisdom we draw the inference that Europe could play an autonomous role for peace, mediation and understanding in the world.

In conclusion, we would say that the extent to which it can play this role will depend on the extent to which the peoples of the Community are given a chance to be the true protagonists of Community integration. Hence the importance which we, too, attach to the forthcoming direct elections to the European Parliament, and it is mainly from this consideration that we derive our judgement on the results of the recent European Council.

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

**Mr Brugha.** — Mr President, I would like to thank the President-in-Office for his speech, though it does not contain a great deal that is dynamic or positive except for one outstanding item.

The first point I would like to touch on is the decision on EMS. This is something which is welcomed, I think, by all of us, and I might mention the constructive speech of Mr Fletcher-Cooke just now in that respect. The President did refer to criticisms regarding the delay, but the criticisms coming from this quarter were directed from two points of view: one was the delay; the other was that the Council did have a meeting in December, did come to a decision, and announce EMS, and a few weeks later one learnt that it was not taking place. I think there is valid criticism



**Brugha**

there, because one was driven to ask: why did the meeting take place in December if the Members had not decided beforehand? However, we welcome the decision; the Minister rightly describes it as a major event in our Community, and so far as my country is concerned, we are glad that this decision is now with us and that EMS has not been relegated to the realms of lost ambitious and lost causes.

When it was first announced, sceptics said it would not work and pointed to the failure of the snake. But now, following the go-ahead this week from the heads of state, the EMS as an instrument of Community resourcefulness must be superintended, watched, guided and above all made to work.

My country, Ireland, did not enter without very deep consideration. We saw it first as a challenge but also as presenting us with an opportunity to strengthen our economy by having, if possible, a stable and durable monetary system. Such a system would indeed be an advantage to all our Member States, because the instability of exchange rates in recent years has had the effect, together with other forces, of reducing the growth-rate of the world economy. For a country like Ireland, which is pursuing substantial growth-rate targets, any economic pressures that could damage employment targets must be counteracted. The EMS does provide us with an opportunity of making progress.

I am glad that the President-in-Office referred to the obstacle to EMS presented by the MCA, and to the agreement for a rapid phase-out of any new MCA's.

He referred to exchange reserves of 25 thousand million ECU. I understood earlier that this was to be a larger sum. Perhaps he would mention it when he is replying. He has described Europe as being on the move; all of us welcome that, except for the regret expressed by myself on an earlier occasion that the United Kingdom is not at present joining. One looks forward to the prospect that she will eventually join.

I had to withdraw shortly before the President ended his speech, but I did not hear him mention the Regional Fund. Perhaps that related to what he had to say about the budgetary issue. Again I am glad to note that there will be a meeting shortly of the Ministers to consider Community proposals to solve that problem; like all other problems, it cannot be insoluble. Any problem of that nature must be soluble provided people are prepared to sit down and resolve the difficulties that have arisen.

Again, the President, as far as I know, did not mention the prospective membership of Greece, Portugal and Spain. I should like to repeat what I said in a debate a few days ago on that subject. I believe the Council should, in advance, indicate a means for providing for any additional costs that would be neces-

sary to cope with new membership by indicating in the normal budgetary way how the funds are to be raised. I say that because I believe that we as citizens of the Community should be made aware of any additional costs which we may have to envisage as part of our contribution to a better and a stronger Europe. The decision to enlarge is both a challenge and an obligation, and we in the Community should welcome and encourage those whose cultures and civilizations resemble ours. This is our responsibility towards them and towards the rest of the world.

I welcome the President's remarks on the controversial issue of the common agricultural policy. I put it to him that it is surely not beyond the wit of man to find a solution to problems of surplus in a world which we know is hungry. Problems of this kind must seem most curious to some of our fellow citizens of the world who are without the necessities of life.

I would like to say a few words about the energy question, to which the President referred. I think I speak from the point of view of the ordinary citizen with commonsense. We know that in Western Europe, in all our countries, there is a great deal of unnecessary waste. It seems to me that, starting from our Institutions here, there should be a vigorous drive for a Community consciousness of that aspect of things. It is not, as the President said, a question of conserving energy in ways that will deprive industry of production, but it is a question of adopting a saner and — if I may use the word — more conservative attitude towards waste. After all, waste is waste, wherever it occurs, and there are many ways whereby the use of energy could be reduced. Apart altogether from the plea which has been put in this House on a number of occasions during recent part-sessions regarding the need to expand research into all other possible means of providing energy, solar and so on, I would ask the Council and the Commission to adopt a firmer, a more positive and more dynamic attitude to the essential need, having regard to our situation of being 56 % dependent on imports, for alternative sources of energy.

I welcome the remarks of the President and look forward to hearing his reply in due course.

**President.** — I call Mr Christensen.

**Mr Christensen.** — (DK) The length of the statement by the President-in-Office of the Council was inversely proportional to its content. The President of the Commission, Mr Jenkins, on the other hand, spoke briefly, but he did not have anything to say either. For this reason, the question arises, I think, as to whether it is reasonable for the European Council to meet four times a year since, on this occasion at least, they quite obviously had no decisions to make and in fact had nothing to talk about.

## Christensen

The question of EMS was, I admit, decided, and I should like to make a few comments on this point. In my view, it is dangerous and incorrect that monetary cooperation has been made so much a Community matter as a result of EMS. This was one of the reasons why Norway did not wish to participate and is presumably also a reason why it is very doubtful that countries outside the Community will take part in this cooperation at all. Thus we are losing breadth just as much as we are hoping to gain in depth. On top of this, it implies, in my view, the Community directing the economic policies of the individual Member States which is necessary for economic discipline etc. but is nevertheless dangerous, and for this reason, I would prefer a looser form of monetary cooperation based on consultation and the right of self-determination of the individual countries, even if I acknowledge the fact that, if we have a common agricultural policy, it is logical that we should have a common monetary policy too, which in turn means that we should have a common economic policy. If things go on in this way, it may become very difficult to run the economy of the Member States. As we know, major economic regions such as the United States are very difficult to run and I feel, therefore, that it is vital, not least in a time of economic crisis, that the individual countries retain their right of self-determination as much as possible.

Finally, I should like to make a few remarks on economic policy. As I see it, the action taken by the European Community in the interests of employment among young people and women and of less-favoured regions or sectors, is in fact being used to cover up the policy which is in fact being conducted. This is true at least in the case of most of the Member States where what is known as the policy of stabilization i.e. the combating of inflation and the elimination of balance of payments deficits, is clearly given priority over employment. This means, therefore, that on the one hand we are conducting an austerity policy which puts people out of work and on the other hand we are trying to find jobs for people again as compensation for the fact that we have conducted a policy calculated to put them out of work in the first place. This is basically what is happening, and for this reason we must change our economic policy in such a way as to find jobs for more people rather than launch into projects intended to find jobs for a few particular groups or regions which the individual Member States are in a far better position to do something about anyway.

Finally, as regards energy policy, I should like to say briefly that in my view the European Community should not decide on any aspects of policy in this field, including the question of whether or not to introduce nuclear energy, which must be a matter for the individual Member States. This is how things stand now and this is how they should remain.

**President.** — I call Mr Ripamonti.

**Mr Ripamonti.** — *(I)* Mr President, ladies and gentlemen, all in all our judgment of the statement by the President-in-Office of the Council is favourable, as it has provided material for debate in relation to the decisions of the European Council. This statement has in fact underlined the value of the dialogue between Parliament and the Council, and I am grateful to the President of the Council for this. The European Monetary System which has just come into being in accordance with the European Council decisions of last December, certainly represents a significant step towards Economic and Monetary Union. The President of the Council justified the delay in putting it into effect by the need to eliminate differences in interpretation on the problem of monetary compensatory amounts, to the solution of which the European Council specifically committed itself, as can be seen from the final document.

However, in my view this does not diminish the political gravity of the French Government's decision. Indeed, it has had negative repercussions both in the parliaments of the other states of the Community and above all on public opinion, particularly in the context of political debate on the problems of the Europe of tomorrow which has marked the beginning of the electoral campaign for the direct elections to the European Parliament — elections which, in common with the President of the Council, we believe to be a politically important fact which will give a new impetus to European integration.

In particular, in my country, which moved from an attitude of reserve to a decision in favour in the European Council, the unilateral decision of the French Government had a decidedly negative affect on the assessment of the extent to which decisions adopted at European Council level are binding on all governments.

Now that the waiting stage is over — a stage which certainly also had negative consequences in monetary terms in some countries, by reintroducing inflationary elements — a new stage is now beginning in cooperation among the countries of the European Community which can and must represent a decisive step forward in European integration, and which without doubt constitutes the first step towards a common currency.

Nevertheless, if we want the aims of the European Monetary System to be realized in accordance with the hopes expressed in debates in this Parliament last year, and particularly in a motion for a resolution on Economic and Monetary Union put down by the Christian Democratic Group (EPP), a new budgetary policy must emerge and we must work to ensure an increase in the total resources of the Community. Moreover, the Member States and the Commission

## Ripamonti

must show themselves determined to bring about a greater convergence of the economic policies of the Member States, and structural measures must be adopted to eliminate the disparities in the indices of economic growth and social development and to overcome the geographical and social imbalances which we see in different regions of Europe. Such measures have only been hinted at by the European Council and are currently being fleshed out, but certainly the plans proposed by the Commission are neither quantitatively nor qualitatively adequate.

Of course, Mr President, since on the basis of the Treaties it cannot criticize the Heads of State or Government for refraining from examining precise budgetary problems. Indeed I think that Parliament would have regarded as improper any decision setting limits to the non-compulsory expenditure, as occurred at an earlier European Council with regard to the Regional Fund.

Nevertheless the difficult, even disturbing, situation of the European economy led us to expect that in the face of the problems of unemployment and the need for a new policy of economic and social growth in Europe, the European Council would come up with some clearer ideas, which the President-in-Office would have passed on to us here, on how the specific policies could be integrated in an overall structural policy, since this is vital if we are seriously to reduce unemployment and open up prospects for the younger generation. We were entitled to expect this, given the European Council's view that the improvement of economic structures is an essential factor in increasing employment opportunities.

Indeed, I believe that, without an overall policy and an overall approach to the modernization structural reform of the European economy, in the context of a new international division of labour, we shall not achieve our aim of drastically reducing unemployment and creating jobs for all.

In any case we shall have the opportunity, when examining the supplementary budget which the Council of Ministers has to adopt and the draft budget for 1980, of checking whether these ideas are translated into practical operational terms.

The consultation between the Council of Ministers and the delegation of the European Parliament on budgetary problems has certainly not raised again the question of stressing or playing down the disputes on budgetary procedures which surrounded the adoption of the 1979 budget. I agree with the President-in-Office of the Council that we should leave to the historians the task of expressing a judgment on the legal aspects. At all events as regards the political aspects it is clear that in the context of the Treaties and the implementing regulations, the supplementary rectifying budget is in fact, owing to exceptional circumstances, the final stage of the 1979 budget.

At the start of the European Monetary System, and given the need for greater convergence of economic

policies and the reduction of regional and social imbalances I do not think we can accept a supplementary budget which reduces expenditure commitments precisely in the sector of regional policy linked to a process of organic development of the European economy and a reduction of regional and social imbalances. Since the relations between the Institutions and within the Institutions are governed at Community level by the Treaties and by the provisions implementing the Treaties, we cannot but note that consultation between the Council of Ministers and Parliament on the budget, and in this case on the supplementary budget, must take place under the terms of Article 5 of the Financial Regulation.

Finally, Mr President, I think that in drawing up the 1980 budget to which you alluded, on the basis of the Commission proposals, account should also be taken of the ideas which emerged from the debates in this House. The approach to a provisional budget must be consistent with the statement and commitments contained in the final documents of the European Councils.

Of course, the Commission cannot usurp the legislative power of the Council in the allocation of new resources for Community activities, but can indicate in its proposals for the various sectors the optimal requirements for resources to ensure efficient use of those resources. It is strange that people continue to insist that it is possible to achieve progress in Community policy merely through the coordination and more rational use of resources. These problems also exist, of course, but greater efficiency in the use of resources depends also on the volume of resources available to meet the requirements of each sector. The allocation of resources to a sector in which Community action is insignificant in relation to the values of resources necessary to solve a particular problem can hardly be regarded as efficient. A typical case is the fight against unemployment, and another is the fight against poverty. The persistence of these unsolved problems necessitates political resolve by the European Council, the Member States, the Community and the Commission. Parliament has stressed this many times. The European electors would be foolish to judge the Community's capacity to act merely on the basis of statements. The Community's capacity for initiative and action must be judged first and foremost on the basis of documents, such as the budget, which allow us to evaluate, on geographical and temporal terms, measures taken as a result of the political will to find a structural solution to the problems which European society poses for Parliament, Council and Commission. We must above all turn our attention to the younger generation, who demand better vocational training, a higher cultural level, and the opportunity to participate in the democratic life of today's Community and tomorrow's Europe and in the process of

## Ripamonti

economic development which should essentially become a process of development and of civilization.

**President.** — I call Mr Eberhard.

**Mr Eberhard.** — (*F*) Mr President, ladies and gentlemen, I was very interested to hear the report of the recent European Council in Paris and noted the President-in-Office's optimistic remarks at a time when the Community countries are sinking into an ever worsening crisis and when official figures show record levels of unemployment.

The Council's decision, which essentially concerns the entry into force of the European Monetary System, marks a new phase in European integration. However, we believe that this system will not help us to achieve the cooperation which we need in Europe but will aggravate our present difficulties, accentuate the dominance of the strongest countries, especially Germany, and deal a shattering blow to national independence and sovereignty.

We are told that the EMS is the most sensible means of restoring monetary equilibrium in Europe and the world. In reality it is the institutionalization of a *de facto* situation — that of the growing dominance of the German mark over the other currencies, a dominance which has for many years been made manifest by the repeated revaluation of the mark and by the accumulation in Germany of monetary reserves representing 40 % of all Community reserves. If the weakest currencies are to be linked to the mark, it will be necessary — as is pointed out in the Council's final statement — to intensify the policy of austerity and the running down of industries, thereby increasing unemployment and the pressure on purchasing power.

Germany's role as Europe's banker will be strengthened if it increases its loans to other countries in order to sell more of its goods there, at the same time exporting part of its unemployment. In addition to the ECU, which follows the movements of the mark very closely, aligning the weaker currencies with the mark will be a costly undertaking. The convergence of Community policies so strongly advocated in Paris will not have the tangible effect of reducing the disparities between the various economies, but will result in continued austerity and more intensive industrial redeployment.

The EMS is far more than a mere monetary mechanism: it is one of the factors in the process of integration which, together with the proposed enlargement will boost the Community's supranational powers. Furthermore, it is argued — and this view has been expressed at the highest level, namely by the French President — that the system will play a decisive part in solving the international monetary crisis. This argument is hardly convincing to say the least, because the dollar is maintaining its privileged and

dominant position in the international monetary system. But apart from the serious consequences of the EMS, the aims of the Paris Council were made clear by what it chose to omit from its statement, for example the Community's budget for 1979. Although the statement is very vague on this question, it is a highly important and topical issue. The European Parliament has persistently and stubbornly been trying to extend its budgetary powers. It has many reasons for doing this, and it increases its powers bit by bit as the opportunity arises. Its avowed objective is to become the ultimate budgetary authority; but this is not its only aim, for it also intends, through the budget, to acquire legislative powers at the expense of the national parliaments. It was in this context that the House voted on the 1979 budget last December, and in so doing exercised greater freedom of movement than that bestowed on it by the Treaties. Clearly, this is not a subject for research for future historians, as has been suggested. This assertion by the President-in-Office of the Council sounds very much like an attempt to hide the real issues and to bolster the cause of supranationalism, whose supporters are in the majority in this House.

I should therefore like to put two questions to Mr François-Poncet. Will he ensure that the Council observes the French law of June 1977 according to which all decisions which the European Parliament takes acting in excess of its powers are considered null and void? If so, will it oppose the implementation of the budget until it is adopted legally? A clear reply to both these questions is particularly necessary since, apart from a few exceptions, the compromise worked out by the Commission ratifies the budget adopted illegally in December.

Another subject conspicuous by its absence was agriculture, for apart from a few empty phrases, the problem of the monetary compensatory amounts was completely omitted from the final statement. Ambiguous explanations which were a feature of the old-style diplomacy referred to by Mr François-Poncet will not shed any light on this problem. Briefly, I infer from this that the old compensatory amounts will be maintained for another four years and the abolition of the new compensatory amounts will be subject to certain conditions.

These are the real facts which are being hidden from farmers. This is an important and, I feel, revealing example of the deceitful way in which, despite all the rhetoric, decisions which are harmful to the people and countries of Europe are being taken behind their backs.

The President-in-Office of the Council calmly concluded that Europe was striding forward and bore a message which was full of promise and hope. I would like to add that it has been striding forward for twenty years and has indeed kept all the promises it

**Eberhard**

made to the multinationals which dominate the Community; but the people of Europe have tasted only bitter fruits, and many illusions have been shattered. Mr President, we want nothing to do with this Europe of unemployment, in which regions are sacrificed and nations trampled underfoot! Since you ended your statement with a reference to the elections on 10 June, I shall wind up by expressing a real message of hope. This message is being voiced by the steelworkers who refuse to accept the unemployment and misery which your kind of Europe means to them, by the farmers of all regions who want to carry on living and working on the land, to make up their own minds and to be their own masters, and by the millions of men and women in France who do not accept their country's decline. Their wish is to build Europe without destroying their own country, and they bear witness to the growing desire of French people to build Europe not by stifling national independence but by upholding the right of sovereign nations to make their own decisions.

**President.** — I call Mr Noè.

**Mr Noè.** — (*I*) Mr President, Mr President-in-Office, President of the Commission, I shall refer to that part of this morning's speech which concerns the energy problem. Although I would say it was quite comprehensive I think it calls for some comments.

First and foremost, the most important point — which I also made when Mr Jenkins presented the Commission's annual programme to Parliament, and of which he very kindly expressed his appreciation in his reply — is this: the President-in-Office says that in 1985 Community oil imports will be no higher than at present; this can be achieved thanks to two factors — on the one hand the current oil discoveries and the exploitation of the deposits under the North Sea, and the other the energy which will be produced by then by nuclear power stations on which work has already started or is nearing completion. However, in the excellent survey of the situation made by the Commission some time ago, with its 'outlook 85' and 'outlook 90', if one reads the tables carefully one can see — as I in fact said in the last part-session — that oil imports, after a period of stability up to 1985, will start rising again between 1985 and 1990. An increase of about 8% is foreseen for that period, while over the same period — and this is what makes the situation critical — i.e. from 1985 to 1990, a considerable increase in nuclear energy production will be necessary — much more than originally foreseen.

Now, we all know that, if the difficulties affecting the installation of new power stations continue in all Member States, we cannot expect the energy contribution from nuclear sources to almost double by 1990, as forecast in the Commission document and as

would be advisable, and therefore that the 8% increase in oil supplies — which will in any case be difficult to come by and also extremely costly — will rise to a much higher figure. Thus, this point is important to put the problem in perspective and to prevent what happens only too often — fortunately not in this Parliament, but in discussions held outside our Member States — namely that some people tackle this problem in peripheral sectors without taking an overall view, and toy with which can make contributions of one, two or three per cent — completely inadequate contributions, given the general picture which the Commission has painted and which I have underlined.

I would say that this is the main point: it is necessary to establish clearly the percentage increases which we shall need and what sources can provide them.

Next, with regard to the section on energy-saving, we fully agree with what the Commission said. I would say in passing that the saving on oil of a well insulated house, compared with a badly insulated one, can be more or less equal to what solar energy could provide using a special plant for the some house. Improving the insulation of houses is thus an excellent idea.

In other words, we must be on our guard against facile solutions. I myself have always called in the past for the joint production of energy and heat to be encouraged. The idea in itself is good, because burning the oil produces steam which, on the one hand, generates electricity and, on the other, can be used in industry. Thus the same quantity of oil gives a higher yield. However, I have recently had occasion to look more deeply into certain practical problems — for example, that of district heating using the heat produced by a power station, whether it be of the conventional or the nuclear type — and I have seen how complicated it is to transport heat. It is possible when the places to be heated are nearby, but otherwise there is a risk of losing much of it in transit. That is why I have stressed this point — it is basically easier to transport energy than to transport heat. We should therefore reflect carefully before opposing nuclear energy, i.e. electricity produced by nuclear means, because other means of transport are much less economical. The President went on to speak — I think rightly — of the desire to develop domestic energy resources more fully. Here I should like to talk about the two fields of solar and geothermal energy. As regards, first of all, solar energy, I think it would be more productive if we realized — and then took practical steps to achieve this aim — that we must quickly find a way of using solar energy to produce warm water for domestic purposes. In other words, since this is its only feasible application, let us put it into practice more energetically.

Noè

It is dangerous to make people think that the other aims — i.e. using solar energy to heat buildings and produce electricity — are also just around the corner. I would therefore put greater emphasis on what is feasible. At the same time, of course, efforts should be concentrated on the research necessary to achieve the other two aims.

On geothermal energy, I should like to give a few facts. Italy uses more geothermal energy than any other country. 1.5% of total energy consumption in Italy today comes from geothermal sources. Let us admit straightaway that these sources are not inexhaustible — indeed, if Larderello more or less keeps up constant production, it is only thanks to continuous extension of its field of operation. Now let us assume that the dry rock method, which is the most promising, may yield results in 20 years' time, i.e. produce an amount of energy — and this is an extremely optimistic assumption — ten times greater than that which Larderello provides for Italy today. The dry rock theory is the brainchild of an American called Brown, a specialist in underground nuclear explosions, who had the idea of transposing those techniques to use the heat of very deep rocks — 3 000 to 5 000 metres below ground — by introducing water through one well and extracting steam through another well. This technology borders on science fiction and faces tremendous difficulties because of the great depths and the temperatures of about 300°C involved. It is necessary to sink a well, to create great artificial fissures, and then to sink a second well into these fissures, and so on. All this is extremely difficult to do. Now, let us assume that all the difficulties are overcome and that, in 20 years' time, output of geothermal energy in Italy — and, as I said, it is my country which makes most use of it in the Community — has increased tenfold; given that over that period total energy consumption will have increased fourfold, the proportion accounted for by geothermal energy will perhaps have risen from 1.5% to 2.5% or 3%. This goes to show that, even by utilizing geothermal energy to the full, such marginal percentages will never solve the major problem in this sector. What is this problem? It is that the recent blackouts were electricity blackouts, i.e. power was cut off for short periods of a few hours at peak times, and then returned to normal. But if we continue at the present rate — and in the light of the figures I mentioned earlier — in a few years' time we shall have cuts or reductions in energy, and not just in electricity. This is much more serious because it will inevitably mean reducing a considerable part of human activity, and thus reducing employment and production. I repeat that this problem cannot be solved with an increase of 1 to 2%.

Technological progress is without doubt one of the tools available to mankind, and the Commission must be congratulated on introducing the important contri-

bution of demonstration models and pilot projects. These are extremely useful. Indeed, when laboratory research is sufficiently advanced, these models make it possible to design a machine, to see how it functions, how much it costs and how much it produces. These pilot projects are an excellent idea on the part of the Commission. However, I would like to ask the Commission — and I am pleased that its President is here — to press ahead even faster in this field, because it is precisely by achieving concrete results through these pilot projects that we can provide new operational techniques for those who run the electricity networks or are otherwise concerned with energy problems.

In conclusion, Mr President, I would point out that only by placing greater emphasis on the factors that count most, only by getting away — if I may put it this way — from vagueness and generalizing, can we avoid proposals being put forward which sometimes verge on the ridiculous. There is now talk in Italy of a possible draft law — proposed by a few people — under which, starting from the assumption — which they exaggerate — that it takes too long to construct nuclear power stations, a moratorium of three years would be introduced. In other words, for three years no more nuclear power stations or reprocessing plants would be built, while alternative sources would be developed — sources which the proposers are careful not to specify! Statements of this kind naturally make a great impression on the public, on the man in the street, who is not in a position to weigh up such questions. I am therefore convinced that we need a forceful policy statement — such as the President of the Council in fact made — in favour of nuclear energy. It is not enough to say 'we must encourage nuclear energy' — we must say it much more forcefully. For this much should be clear: either we start building sufficient numbers of nuclear power stations in the next two to three years, or the period from 1985 to 1990 will be an extremely troubled one for us all.

**President.** — I call Mr Petersen.

**Mr Petersen.** — (DK) Mr President, I shall merely comment on a few of the points discussed by the President of the Council. In order to save time, I can say that I fully agree with Mr Eberhard on the question of the budget and the relation between this assembly and the Council of Ministers. I was pleased to hear of the French law mentioned by Mr Eberhard. I have no intention of interfering in the internal affairs of other countries, but I should like to say that I hope France will abide by this law. There will at least be a few of us in Denmark who will be pleased if they do.

Secondly, I should like to say in connection with the points made regarding unemployment that the interest expressed in the President of the Council's speech was touching — indeed it almost brought tears

## Petersen

to the eyes, but we should have been moved in this way for five years now, since we have been hearing the same thing for the past five years which is how long the international crisis has lasted. However, whenever it has come to translating theory into practice, nothing has ever materialized and I am firmly convinced that this will be the case this time too. We have expressed our concern, we wish to use the traditional methods to combat unemployment, we are pinning our hopes on growth, on technological development and at the same time coordinating an economic policy involving austerity and cut-backs in the individual countries, which hits the working population. However, it is clear that these things are not producing any new jobs, and this does not really surprise me, considering basic assumption which is that the principles of the free movement of capital and goods and the right of establishment must be maintained, in other words action is based on a number of fundamental capitalistic principles which inevitably impede a general fight against unemployment.

The other problem I should like to comment on is the development of a specific technology, i.e. nuclear energy, from which people clearly expect great things. I notice that the development of nuclear energy plays a central role in the energy programme which has now been put forward by the European Council. I see that it is intended to promote the development of electricity supply based on nuclear energy, I see that the Council of Ministers is being urged to see to it that it becomes easier to receive authorization for the use of nuclear energy and, finally, I see that the Energy Ministers are to examine the energy policies of the Member States and that whatever is being done at national level is to be harmonized. Naturally, the European Council is entitled to decide whatever it wants and this is what it has decided now. I should like to know whether or not the European Council has been informed — as it should have been by the Danish Minister — that as official Danish policy stands, and according to what the Danish Parliament has been told regarding official government policy, Denmark does not intend to decide whether or not to use nuclear energy until a series of studies into the disposal of the rather nasty waste produced by the nuclear industry has been concluded. As far as we in Denmark know, this will take at least a few years. For this reason, I must deplore the impression I get from the statement from the European Council to the effect that the Community is intending to try and force Denmark into taking a decision on the use of nuclear power — a decision which is, of course, a matter for Danish sovereignty, and which should not be imposed from outside. So far, it has been the general consensus in Denmark that this is a decision which must depend on a series of further studies.

I should also like to express my surprise — and I am not particularly addressing the European Council and its President here, since it is not his fault — that these

views, which were put forward in the European Council's statement regarding nuclear energy, are those of the Heads of State and Government in the nine countries including the Danish Prime Minister. This is, of course, something we must discuss when we get back home to Denmark, but, as I see it, and I believe I see it correctly, the Danish Prime Minister had no authority whatsoever from the Danish Parliament to associate himself with this statement from the European Council.

**President.** — I have still to call Mr Ortoli and Mr François-Poncet. We have, of course, come to the end of the time allotted, and so I would ask the speakers for their cooperation.

I call Mr Ortoli.

**Mr Ortoli, Vice-President of the Commission.** — (F) Mr President, thank you for urging us to be brief — this is after all the only truly worthwhile exercise in public speaking — but I must reply, albeit very quickly, to the main points of the Oral Questions that were tabled. I shall be very brief, as I have already had the opportunity on several occasions of stating the Commission's views on these questions, in particular those tabled by Mr Mascagni. I should therefore like to comment on the convergence of policies and on what we can expect from this. As a result of the European Monetary System we shall be making an all-out effort to bring our policies and methods into line, because the results will have to be sufficiently close for the monetary situation to be reflected in the economic situation. This is a technical requirement, but it is also a political one, because if we do not achieve this goal the system itself will ultimately collapse. I think, however, that certain speakers have underestimated the benefits of this system and in particular the fact that it will — I feel sure — heighten the Community's responsibility for achieving increased growth and employment.

Firstly, I feel it is wrong to suggest that the objective of the European Monetary System is monetary stability. Its purpose is to make lasting growth and reduced unemployment less dependent on monetary stability, and this is what we had in mind when we devised the system. I think it is pertinent to point out in this connection that when the decision on the EMS was taken in Bremen, it was decided at the same time to take this concerted action in the knowledge that to join forces with a view to creating a common currency we should also unite to use our strength and interdependence to achieve maximum growth. Concerted action implies that our policies should complement each other and have a multiplying effect, and I think this point has been vigorously stressed at all the discussions held by the Finance Ministers or the European Council. The system is therefore not merely a set of technical arrangements linked to currency, but has a basic economic purpose.

## Ortoli

Secondly, we should realize that if the system is well administered, as I hope it will be, it will have precisely the effects desired by some of today's speakers, mainly because it will end the present precarious situation and provide the security which is the real key to investment and growth. I should like in this connection to comment on what has been said about investment increasing unemployment. Investment aimed at rationalization obviously has an effect on employment, but two things must be borne in mind: the first is that we need to be competitive — we cannot afford not to be, as this is the key to the success of Europe. It has just been suggested that Europe is an immense and very wealthy continent; but it is first and foremost a poor continent which is forced to fight to sell its goods so that it can import increasingly costly energy and raw materials. In view of this, we are faced with a situation which is in no way dependent on economic theories but hinges completely on the existence of certain concrete phenomena. We have to export in order to import, and so we must be competitive. We must remember that once growth begins to re-establish itself, this will be accompanied by a sustained effort to improve productivity, which has been one of the key factors in Europe's success. But what will be the result? By its very nature, growth will create fresh demand, which means further production capacity, the fulfilment of new needs and the emergence of new processes and technologies. The mechanism of growth is not purely a matter of investment increasing unemployment: growth is a matter of movement, in which some things disappear but others are created.

I should like at this point to make a comment for the benefit of Mr Pisani, who I believe underestimated the importance of growth. Clearly, without growth we cannot overcome the unemployment problems confronting us; and clearly, the countries which are reducing unemployment are the countries in which growth is strongest. Of course, I am not so naive as to imagine that a macro-economic policy geared to growth is the answer to all our problems. We have powerful structural changes to contend with; we are witnessing changes in our needs and in our society. All this is true, and I agree with much of what Mr Pisani has said, but while I appreciate in many respects the qualitative nature of this there are also — and primarily — quantitative aspects because we need increased demand and greater purchasing power, under as rational a policy as possible.

The second point I would like to make — and we must remember that this was one of the central issues — is that the system was designed to allay two opposing fears: the concern of those who believe that it will lead to inflation and of those who feel it will lead to deflation. I have no time to discuss this point in any detail, but I hope that both these fears will be assuaged the way in which the system has been designed and will be administered.

I have two comments to make on the question of convergence in the narrow sense in which certain speakers have used this term, in other words convergence combined with solidarity, with the Community as a means of achieving solidarity and of reducing imbalances.

Firstly, the budgetary issue is not the only problem we have to contend with. It is not insignificant that while we were preparing the EMS we were also developing machinery for improving the balance of payments. We should remember that some of the limitations or restrictions to which a weak economy is sometimes subject in the field of external trade may be the result of unduly large balance of payments deficits. In such situations solidarity, as a means of providing time to make the necessary adjustments, may be just as effective in terms of growth and the control of deflation as the transfer of resources of a different kind; indeed, it is probably even more so, because its effects are more immediate.

Secondly, one factor in designing the entire system was to help in strengthening structures. One of the points which was stressed at the European Council and which both Mr François-Poncet and Mr Jenkins referred to this morning was that the weakest countries can be helped by making better use of existing policies aimed at convergence, without changing the underlying purpose of these policies. We must also, however, continue to apply the measures we have adopted, because we should not forget that things have been happening in the field of convergence: let me remind you that between 1977 and 1979, in budgetary terms, we doubled the available funds, that we doubled the amount of loans, and that under this policy we have created a new machinery. In a sense, Europe is becoming more complex and is acquiring greater resources, like the new financial instrument approved by this House a year ago. For the first time we have introduced a system of interest subsidies — for the appreciable sum of 200 million — directly related to the EMS.

I should like to add that we are intensifying our efforts to help the less prosperous countries. As the overall figures can easily give a false impression, I would point out that at present roughly 2% of the GDP is being transferred to Ireland in the form of loans and subsidies linked to structural schemes. 2% of GDP is a considerable amount. We are no longer talking about statistically insignificant amounts, but about substantial contributions. Last year over 10% of investments in the Mezzogiorno were directly assisted by Europe in the form of either loans or grants.

This being so, we in the Commission are convinced that this whole operation must be continued. We must first develop these instruments. We have done our utmost to do this, and we believe this can contri-



## Ortoli

bute to convergence. Secondly, they should be made more effective, and here I am a staunch supporter of integrated programmes, i.e. programmes under which we use our various social and structural channels to help create basic structures as quickly as possible in certain regions. I have not been allowed sufficient time to dwell on this point, but I believe that this is a key factor in the success of these Community measures in the less prosperous countries.

In conclusion, Mr President, I am convinced that monetary success will result from economic success, but not vice versa. This success must benefit everyone, in other words the serious problems of the Community's imbalance must be taken into account as we embark on this great adventure.

Secondly, I am convinced that we have had an opportunity — and this opens the way to further progress in future — to reflect on Community solidarity, a solidarity which must be earned. By this I mean that national policies — as the communiqué pointed out — are clearly of fundamental importance. We must first of all want to succeed, and the Community can then intervene to give its support and help us develop our policies, but it cannot act as a substitute. I personally believe, and the Commission shares my view, that this solidarity forms an integral part of our policies, and I feel sure that if we succeed in this area, we will contribute to success in a wider context.

Those are my comments, Mr President, and I can assure you that for me they are not just empty words. I have been attempting to describe a highly sustained process: think of the figures, the new and specific instruments, and the way in which we have tried to make our activities more complex, not in a negative sense, but simply by widening our field of operations and by acquiring more adequate resources, which I hope we shall put to good use. Time will tell if our policies are effective and adequate. Time is no flatterer — it is always there to tell politicians which path they should choose, and I trust that this House will also tell us — and help us to decide — whether our policies are effective and adequate.

(Applause)

**President.** — I call Mr François-Poncet.

**Mr François-Poncet, President-in-Office of the Council.** — (F) Mr President, I see that I have minus ten minutes in which to speak. I will therefore try to take up this challenge by making my remarks brief at the expense, of course, of the detailed replies which I should have liked to make to each of the speakers. I hope that you will forgive me for this.

First of all I should like to reply briefly to those who raised — and not I think for the first time — the problem of the European Council, that institution which they consider ambiguous by its nature and of dubious form and content and who always have some-

thing to reproach it with. May I say that the European Council is not superfluous, contrary to what has been said by some members — including Mr Pisani — and in spite of the fears expressed by Mr Bertrand and others. The European Council has a threefold role: that of taking initiatives, that of acting as a stimulus in areas which have already been discussed but are making no progress, and thirdly it has the ability to find solutions, to 'unfreeze' cases on which we know that no further progress is being made within the Community institutions. Experience bears me out on this.

Forgive me if I remind you of some decisions which we owe to the European Council: the monetary system; direct elections; the United Kingdom contribution to the Community budget, which was settled at a summit — a different problem indeed, to judge from various speeches, does not in fact appear to have been fully resolved — the North-South dialogue; the European judicial area, which is making great progress; the declaration on the Middle East of 29 June 1977; the setting-up of a Committee of 'Wise Men'. It is a Council which is playing the part that Europe expects of it. Neither is it true to say that the Council of Ministers in Brussels has thereby been paralysed, rendered infirm and incapable of taking decisions. Here again, allow me to remind you that it adopted the Davignon plan for steel, that in the not too distant past it has been responsible for legislation on the new Social Fund and the new Regional Fund, bilateral trade negotiations, the Multifibre Arrangement, decisions on the accession of new countries — and I will stop there, Mr President, just for the sake of simplicity, but clearly all this is not an optical illusion. I hope no one believes that fifteen years ago it was easy to take decisions and that then suddenly everything came to a standstill and no further progress was made. It is my belief on the contrary, that at present our Community is making progress — not as well, not as quickly as we might wish, but progress is being made, and I do not think that one does Europe any service by denying it, because the result is only to engender a pessimism which is unfounded and unjustified.

That is what I wanted to say on the institutional aspect, except for one final word to Mr Bertrand, who asked me if the Guadeloupe meeting had been reported on at the last European Council. May I assure you, Mr Bertrand, that a report was made on Guadeloupe; it would hardly have been appreciated if three months had been allowed to elapse before reporting to those States which were not present. Within a few days of meeting, information was given via special envoys or via those countries' ambassadors in Paris. There was nothing more to be said when the Heads of State and Government met in Paris. Otherwise, of course, the opportunity would certainly have been taken to make a report then, as you suggested.

## François-Poncet

As regards the monetary system, may I first express my satisfaction at the fact that all the speakers, with the exception of Mr Ebergard, welcomed the start of the European Monetary System and that no one tried to minimize its importance, which is both economic and monetary as well as political. I am pleased that this is so, because we have here a unanimity of great significance at this stage in the construction and organization of Europe. Everybody also expressed the hope — and need I remind you that I did likewise — that the United Kingdom would feel able to join the system in the near future.

Various speakers — in particular Mr Damseaux, but also Mr Ripamonti — seemed to be asking: 'Why have you not made greater and more rapid progress?' I must admit that I find such objections rather refreshing. We will progress further, at least I hope so. This is an important step: we had achieved nothing in the monetary sphere since the Community was set up. It is not simply another monetary arrangement, it is something new. It is intended — and here I am replying to a number of speakers — that it should constitute just one stage in a more far-reaching process, and may I remind you that the resolution adopted in Brussels is very specific on this point since it stipulates that, after two years, consideration should be given, under a review of the operation of the system, to setting up a European Monetary Fund. This is therefore only a first step, but one of consequence and one which — I am sure makes an important contribution to the ultimate goal, something of importance not only for our countries and for their economies, but for the international monetary system.

In answer to Mr Bugha, who asked what the available reserve would be, these well amount to 25 million ECU for medium-term credits. There is no limit on short-term credits, which have been extended for four to six weeks. Thus an impressive array of credits is available for intervention operations, and this should make it possible to eliminate the erratic and speculative movements of exchange rates and to permit the emergence of an area of monetary stability on our continent, where, as you know, intra-Community trade accounts for 50 % of total trade — on condition, however, as Mr Ortoli very rightly said, that there is the necessary minimum convergence in economic policies and in the development of Member States' economies.

I will therefore not dwell on this point, and Mr Ortoli has already — I won't say deprived — but relieved me of the need to reply to some of the comments made this morning by Mr Pisani which, while interesting, — at least this is what I felt — were at the same time rather an oversimplification or misinterpretation of what I said this morning. What I mean is that it would be a distortion to believe that the European Council wants to establish currency as a sort of 'iron

law', that its view of the economy dates from the turn of the century. Just because I quoted Jacques Rueff I do not have to accept his whole economic theory. Let me add, furthermore, that Mr Pisani's very able remarks contained an economic analysis which is itself dated and does not take account of the fact that inflation has in many respects become the major evil of our economy, that the present unemployment is a consequence of the disorder of which inflation is the outward sign, and finally that there can be no recovery, no revival of the economy, no lasting solution to under-employment if expansion and growth are not developed on the basis of a sound monetary system.

This is one of the economic lessons of our time, and I can only agree with what Mr Ortoli said: I do not believe either that we can combat unemployment without growth. Growth remains a necessity, but not just any form of growth and certainly not growth based on easy money. From this point of view the Keynesian influence in Mr Pisani's remarks detracts from their validity as a true analysis of our times. I note also that when speaking of the common agriculture policy he complained that it was not backed up by a coherent monetary policy.

But why should what is true of the common agricultural policy be false for the rest of the economy? On the one hand it was the inspired Socialist speaking — and I respect his convictions — while on the other there was the man who knows what he is talking about and has experience of economic issues. Permit me therefore to say that, in this field, we will achieve nothing worthwhile if we ignore present-day realities, if we do not have the precise, constructive awareness which these realities call for and which is the precondition for getting a grip on events. Furthermore, let there be no mistake about our analysis of the current nature of unemployment, where any improvement depends, it is true, on a process of sound growth without monetary excesses but account must be taken of a whole series of specific measures designed to solve the problems of certain social categories, in particular young people and women, in modern society. Our unemployment problems are not the same as in the 30s. With regard to both the economy and unemployment, we cannot use the same arguments as before the Second World War. This is one of the important lessons which all the political groups in the Community must learn.

As regards energy, I do not think there is any fundamental difference of opinion. I think that probably everyone regrets that we cannot make greater and more rapid progress here. Let me therefore reply to some of the questions raised. I listened with interest and admiration to Mr Noë's speech; I followed him in his journey to the centre of the Earth and I fully agree with him that geothermal energy will not solve

## François-Poncet

all our problems, but I am sure he will agree with me when I say that we should not, indeed must not, neglect any resources. His remarks and his reading of communiqués, as well as what Mr Petersen said about nuclear energy, are to me proof that the European Council took the right stand, since Mr Noè thought that nuclear energy, which he regards as the only possible solution to the problem, had been given sufficient emphasis, for his part considered that intolerable pressure was being put on Denmark to force it to take the perverse nuclear option. Consequently, in my view the European Council took quite a good line in stressing the need to make use of this source but leaving all the countries, of course, free to take their own decisions — clearly, no pressure is being put on Denmark — and at the same time emphasizing the need to take environmental precautions in this very sensitive area.

That, Mr President, is what I wanted to say, but I will just add a word in reply to a question or rather the concern that was expressed from time to time, for example by Mr Pisani and also by Mr Bertrand, regarding the proposal made by the French President for a meeting of European, African and Arab countries. This proposal was seen as an attempt to solve the problems involved in the dialogue between the oil-producing countries and the other consumers countries. May I say that these two questions are not connected and the French President's proposal extends far beyond the question of oil. It is essentially a political proposal which, as I said this morning, is based on the realization that a game is being played between the great super-powers and China and decisions are being taken which affect the interests of the three groups mentioned by the French President. Between these countries there is clearly a certain complementarity and a convergence of interests which justify and exploratory dialogue. But it goes without saying that where oil is concerned — whether we are talking about the proposals made by Saudi Arabia or the suggestions made by the Mexican President — all the countries together must enter into a dialogue with the oil producers. I think some clarification was needed on this point, but the distinction seems to be clear.

Mr President, mention was made of the budget. As I said the budget was not on the agenda and was not discussed at the European Council. Those who raised this question must therefore excuse me for not venturing into an area in which I can but repeat the conviction that an agreement should be arrived at rapidly between Parliament, the Council of Ministers and the Commission, with due respect for the powers of the various institutions — Mr Eberhard spoke of respect for the Treaties, that goes without saying, and in any case nobody disputes this; it is on the question of interpretation that differences can, understandably, arise. I think, in fact that we are already taking steps which will, I hope achieve just this in the near future. Mr Ortoli drew attention — very opportunely in my

opinion, Mr Ripamonti — to the fact that it is incorrect to say that nothing is being done about the redistribution of resources or about financial measures to improve convergences between the economies of the Member States. Considerable progress has been made over the past two or three years. The Commissioner was right to emphasize this and I will not dwell on the point.

I should simply like to conclude by taking up a remark made by Mr Eberhard who spoke of our building a Europe of misery. I think that this is such a gross distortion of reality that it convinces nobody, but it does — if I may say so — give me a theme on which to conclude. In the twenty years of the European Community's existence our peoples' standard of living has doubled; this is a reality that no one can dispute. As far as the future is concerned, I can only say that I hope the reality of the next twenty years will match that of the past twenty.

*(Applause from the centre and the right)*

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

## 5. Agenda

**President.** — I call Mr Lagorce on a point of order.

**Mr Lagorce.** — *(F)* Mr President, I should like to ask you to refer to the Committee on Development and Cooperation the report which I was supposed to present on behalf of the committee at the end of today's sitting.

There are several reasons for this. Firstly, we have a particularly full agenda today and I am making my request because it will be difficult for the French Members, especially those who are members of the French Parliament, to attend the sitting as they would like to. I am sure you are aware that the French Parliament is holding an extraordinary sitting which is due to continue tonight and tomorrow. It is a sitting which those who have called it — and they include myself — are honour bound to attend, if I may use the expression of the President of the Republic. Also, there are a number of other more important reasons. When I arrived here, I found that there were several amendments which the committee had not examined. It might be a good idea if they could be incorporated in the text of the motion for a resolution. Furthermore, there are perhaps one or two ambiguous points and one or two differences of interpretation and understanding in certain parts of the explanatory statement. It would not be a bad idea if we could clarify these points. Also, I have noticed something which escaped me before. The Committee on Development and Cooperation had unanimously adopted the resolution and the explanatory statement — which is against the Rules of Procedure. You cannot adopt an explanatory statement because only the resolution has, as it were, any legal force.

**Lagorce**

Finally, I have been told that the Council cannot give a reply today to the question which Mr Fellermaier had appended to this report. A reply could be given in April if — as I sincerely wish — my report can be put on the agenda for the April part-session after it has been re-examined and amended by the Committee on Development and Cooperation.

**President.** — Since reference to committee has been requested by the rapporteur, it is granted automatically in accordance with Rule 26 (2) of the Rules of Procedure.

**6. Votes**

**President.** — The next item is the vote on the motions for resolutions contained in the reports on which the debate has closed.

We begin with the motion for a resolution contained in the *Liogier report (Doc. 675/78): Fixing of prices for certain agricultural products.*

I put to the vote the first five indents of the preamble.

The first five indents of the preamble are adopted.

After the fifth indent, Mr Vitale has tabled Amendment No 61 seeking to insert the following new recital;

— considering that the serious imbalances in Community agriculture have led to the present chaos in production and that to remedy this situation there must be a complete rethinking of the common policy — a step which so far has been constantly avoided — leading to the introduction of properly planned indicative programmes; in this context recalls paragraphs 5, 6 and 7 of the resolution adopted by the European Parliament on 17 June 1975 during the consideration of the budget of the common agricultural policy presented by the Commission and adopted by the Council;

What is Mr Liogier's position?

**Mr Liogier, rapporteur.** — (F) Mr President, a similar amendment was rejected by the Committee on Agriculture which felt, among other reasons, that it was difficult to introduce proper indicative planning in agriculture, since today's surpluses can become tomorrow's shortages, thanks to the vagaries of the weather. In these circumstances, we cannot accept this amendment.

**President.** — I put Amendment No 61 to the vote. Amendment No 61 is rejected.

On the sixth indent of the preamble, the Socialist Group has tabled Amendment No 26 seeking to delete the text of the indent.

What is Mr Liogier's position?

**Mr Liogier, rapporteur.** — (F) Mr President, Amendment No 26 is contrary to the opinion of the Committee on Agriculture, which recommends increasing prices in order to bring agricultural and non-agricultural incomes more into line. It is perfectly true that agricultural incomes have increased more slowly than non-agricultural incomes, and the gap between them has therefore widened.

Of course, we recognize that gross added value has increased more quickly in agriculture than elsewhere. But exactly the opposite has happened with regard to net added value, which in our opinion is the indicator which gives the most accurate picture of agricultural incomes. Consequently, this amendment must be rejected.

(Protests from various quarters)

**President.** — I call Mr Fellermaier on a point of order.

**Mr Fellermaier.** — (D) Mr President, I should like to ask the rapporteur to confine himself to straightforward statements of his position on these amendments and not to pass any political comments on them, as he has just done. The place for political comments is in the general debate, which is over.

(Applause from various quarters)

**President.** — I agree with this recommendation, if only to speed up the voting. I put Amendment No 26 to the vote.

Amendment No 26 is rejected.

I put the sixth indent to the vote.

The sixth indent of the preamble is adopted.

I put to the vote indents 7 to 9.

Indents 7 to 9 of the preamble are adopted.

On the 10th indent, the Socialist Group has tabled Amendment No 27 seeking to reword the last two lines as follows:

bearing in mind the social importance of these products and the *internal* geographical origin of these surpluses

What is Mr Liogier's position?

**Mr Liogier, rapporteur.** — (F) Against!

(Laughter)

**President.** — I put Amendment No 27 to the vote. Amendment No 27 is rejected.

I put to the vote the 10th indent of the preamble.

The 10th indent of the preamble is adopted.

I put to the vote the 11th indent of the preamble.

The 11th indent of the preamble is adopted.

On the 12th indent of the preamble, the Socialist Group has tabled Amendment No 28 seeking to delete the text of this indent.

What is Mr Liogier's position?

**Mr Liogier, rapporteur.** — (F) Mr President, I do not think you can argue with the facts, and I therefore reject this amendment.

**President.** — I put Amendment No 28 to the vote. Amendment No 28 is rejected.

I put to the vote the 12th indent of the preamble. The 12th indent of the preamble is adopted.

On the 13th indent, the Socialist Group has tabled Amendment No 29 seeking to delete the text of this indent.

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) I ask the House to reject this amendment.

**President.** — I put Amendment No 29 to the vote. Amendment No 29 is rejected.

I put the 13th indent to the vote.

The 13th indent of the preamble is adopted.

I put to the vote paragraph I of the motion for a resolution.

Paragraph 1 is adopted.

On paragraph 2, the Socialist Group has tabled Amendment No 30 seeking to delete the last six lines, beginning with so that public opinion.

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) I am against.

**President.** — I put Amendment No 30 to the vote. Amendment No 30 is rejected.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

After paragraph 2, Mr Vitale has tabled Amendments Nos 62, 63 and 64 seeking to insert the following new paragraphs :

- 2a. Considers that by the end of the year, i.e. starting with the 1979/1980 marketing year, the Commission should propose at least on an indicative basis, a Community production programme which will make it possible within the space of a few years to absorb structural surpluses and to develop those strategic sectors which are in deficit, as already requested by Parliament in paragraph 6 of the resolution in question of 17 June 1975 ;
- 2b. Recalls that during the budgetary procedure for the 1978 and 1979 financial years, the European Parliament has already twice advocated the fixing of a maximum (ceiling) price beyond which the guarantee of automatic price support should no longer apply ; therefore invites the Commission to make detailed proposals on the matter, incorporating them in a multiannual estimate of expenditure which will ensure correct evaluation and control of the allocation of resources ;
- 2c. Calls on the Commission for the same reasons, to submit suitable proposals for a system of incentives to

encourage the conversion or increases of production required by the planned development programme ;

These amendments can be considered together.

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) I am against the three amendments.

**President.** — I put Amendment No 62 to the vote. Amendment No 62 is rejected

I put Amendment No 63 to the vote.

Amendment No 63 is rejected.

I put Amendment No 64 to the vote.

Amendment No 64 is rejected.

On paragraph 3, the Socialist Group has tabled Amendment No 31/rev. Seeking to delete this paragraph.

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) I am against.

**President.** — I put to the vote Amendment No 31/rev.

Amendment No 31/rev. is rejected.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

On paragraphs 4 and 5 there are two amendments. The European Conservative Group has tabled Amendment No 8 seeking to delete paragraph 5, and the Socialist Group has tabled Amendment No 60 seeking to replace paragraphs 4 and 5 with the following text :

Notes with concern the rapid increase in the imports of soya, manioc and tapioca in recent years and urges the Commission to take further steps to encourage vegetable protein production in the Community without introducing tariff barriers ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) I am against the two amendments.

**President.** — I call Mr Hughes.

**Mr Hughes.** — Would it be possible, Mr President, to vote on the Socialist amendment, No 60, in two parts, having a separate vote on the last four words : *without introducing tariff barriers* ? We had put this in originally as two separate amendments, but the table office advised us that it had to be one single amendment, and what I would like is that we should allow the House to vote on the first part of Amendment No 60 separately from the whole of it. That was our original amendment put in to the table office, but we were advised we could not make two separate amendments for reasons relating to the Rules of Procedure.

**President.** — Mr Hughes is asking for a vote on the separate parts of the text. What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) Mr President, may I ask the House to vote on the whole of the amendment? There is no reason why this amendment should be divided into two separate amendments.

**President.** — But this is an oral amendment seeking to vote separately on the text of Amendment No 60.

**Mr Liogier, rapporteur.** — (F) Could you not inquire as to the rapporteur's position, Mr President ?

**President.** — Mr Liogier, you have already had the opportunity to state your position.

**Mr Liogier, rapporteur.** — (F) I am sorry, Mr President. I was against a vote on separate parts of the text. However, if that is how we have to take the vote, I agree with the first part, provided that the second part is deleted. In other words, I am in favour if the text ends at *in the Community*, but I am against *without introducing tariff barriers*.

**President.** — I call Mr Klepsch.

**Mr Klepsch.** — (D) Mr President, I am confused. Does it mean that if I vote for the first amendment, which I am ready to do, the rest is deleted ?

(Mixed reactions)

**President.** — I shall put the two parts of the amendment to the vote separately. Everyone is at liberty to decide on the consequences of the vote on the single parts.

I call Mr Früh.

**Mr Früh.** — Mr President, a question seeking to clarify the issue : would paragraph 5 also be deleted ?

**President.** — I call Mr Hughes.

**Mr Hughes.** — For the assistance of Mr Früh, the amendment says that paragraphs 4 and 5 are to be replaced by this text. That is what the amendment says.

**President.** — I put to the vote Amendment No 60 as far as *in the Community*.

This part of the amendment is rejected, and the second part is therefore withdrawn.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

I put Amendment No 8 to the vote.

Amendment No 8 is rejected.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

On paragraph 6, the Socialist Group has tabled Amendment No 48 seeking to delete the paragraph.

I call Mr Hughes.

**Mr Hughes.** — I think it would be for the convenience of the House if we were to take Amendments Nos 48, 49 and so forth, because they all go together. Our belief is that the decision of the Council of Ministers on the introduction of the EMS makes them now out of date, and that therefore we should vote on the first one and depending on that vote leave the rest be.

**President.** — Let us do things in order. First we shall vote on Amendment No 48 and then on No 49.

What is Mr Liogier's position with regard to Amendment No 48 ?

**Mr Liogier, rapporteur.** — (F) I am against it, Mr President.

**President.** — I put Amendment No 48 to the vote. Amendment No 48 is rejected.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

On paragraph 7 there are two amendments. The European Conservative Group has tabled Amendment No 9 seeking to amend the paragraph as follows :

Supports the Commission in its efforts to dismantle MCAs ; believes that green currency rate changes must be the responsibility of the individual Member State ;

The Socialist Group tabled Amendment No 49 seeking to delete the paragraph, but this amendment has since been withdrawn.

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) Mr President, I should prefer to keep the original text and supplement it with Amendment No 23 by Mr Pisoni and others. I am therefore against the amendment.

**President.** — I put Amendment No 9 to the vote. Amendment No 9 is rejected.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

On paragraph 8 there are three amendments. Mr Soury has tabled Amendment No 1 seeking to amend the paragraph as follows :

Calls for the immediate abolition of existing MCAs to alleviate the serious and often tragic situation facing farmers ;

The Socialist Group tabled Amendment No 50 seeking to delete the paragraph, but this amendment has since been withdrawn.

**President**

Mr Pisoni, Mr Ligios, Mr Brugger, Mr Früh, Mr Dewulf, Mr Tolman and Mr Pucci have tabled Amendment No 58 seeking to amend the paragraph as follows :

Believes that four years is a reasonable period for bringing about the dismantling of existing MCAs. (remainder deleted).

What is Mr Liogier's position on Amendment No 1 ?

**Mr Liogier, rapporteur.** — (F) I am against it.

**President.** — I put Amendment No 1 to the vote. Amendment No 1 is rejected.

What is Mr Liogier's position on Amendment No 58 ?

**Mr Liogier, rapporteur.** — (F) I am in favour of this amendment, together with Amendment No 23/rev., since it clarifies the text of the motion.

**President.** — I put Amendment No 58 to the vote. Amendment No 58 is adopted.

I put to the vote paragraph 8, thus amended.

Paragraph 8 is adopted.

After paragraph 8, Mr Pisoni, Mr Ligios, Mr Brugger, Mr Früh, Mr Dewulf, Mr Tolman and Mr Pucci have tabled Amendment No 23/rev. seeking to insert the following new paragraphs :

8a. Request, however that the Member States with weak currencies should be allowed to reduce this period by devaluing their green currencies whenever this is made necessary by the state of their agriculture or their economy ;

8b. Calls for an immediate review of the method of calculating MCAs, in particular for pigmeats and processed products ;

I put to the vote Amendment No 23/rev.

Amendment No 23/rev. is adopted.

On paragraph 9, the Socialist Group tabled Amendment No 51 seeking to delete the paragraph, but this amendment has since been withdrawn.

I put paragraph 9 to the vote.

Paragraph 9 is adopted.

There are nine amendments on paragraphs 10, 11 and 13. Mr Vitale has tabled Amendment No 65 seeking to replace these paragraphs by the following paragraph :

Accepts the need to freeze guaranteed prices expressed in ua, as proposed by the Commission, at least for products in which there are serious structural surpluses ;

The European Conservative Group has tabled Amendment No 10 seeking to delete paragraph 10.

The Socialist Group has tabled Amendment No 34 seeking to amend paragraph 10 as follows :

Considers, while recognizing the need for a freeze in the price of products in which there are structural surpluses, such as cereals, sugar and dairy products, that it is

possible slightly to increase the prices of products from other sectors to encourage farmers to produce these food-stuffs of which there is still by no means a surplus ;

The Socialist Group has tabled Amendments Nos 52 and 53 seeking to delete paragraphs 11 and 12 respectively.

Mr W. Müller, on behalf of the Committee on the Environment, Public Health and Consumer Protection, has tabled Amendment No 2 seeking to amend paragraph 10 as follows :

Endorses the objectives of the Commission's proposals, namely to lessen the imbalances on several agricultural markets, in particular the milk and sugar markets, and to reduce the expenditure of the CAP, and calls on the Council likewise to support these objectives ;

Mr W. Müller, on behalf of the Committee on Environment, Public Health and Consumer Protection, has tabled Amendment No 3 seeking to amend paragraph 11 as follows :

Trusts that the Council will not make any decisions which jeopardize the objectives of the Commission's proposals ; in particular, it hopes that the Council will not approve any price increases for products which are already heavily in surplus ;

The European Conservative Group has tabled Amendment No 11 seeking to amend paragraph 12 as follows :

Approves the Commission's proposals for a general price freeze ;

Mr W. Müller, on behalf of the Committee on Environment, Public Health and Consumer Protection, has tabled Amendment No 4 seeking to amend paragraph 12 as follows :

Welcomes the Commission's proposal to reduce the price of fresh butter in the Community as a whole and feels that, provided it were applied for a sufficiently long period, such a measure, which would be to the advantage of both producer and consumer, could not fail to have the desired effect on the market ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) None of these amendments has my support, Mr President.

**President.** — I put Amendment No 65 to the vote. Amendment No 65 is rejected.

Amendment No 10 is rejected.

I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

I call Mr Pisoni for an explanation of vote.

**Mr Pisoni.** — (I) Mr President, I want to make a very brief explanation of vote as regards Amendment No 34, which is similar in subject to our amendment. We shall vote against this amendment for the simple reason that, in our view, it should be inserted after paragraph 12.

**President.** — I put Amendment No 34 to the vote. Amendment No 34 is rejected.

I put paragraph 10 to the vote.

Paragraph 10 is adopted.

We shall now consider the amendments to paragraph 11.

Amendment No 52 has been withdrawn.

I put Amendment No 3 to the vote.

Amendment No 3 is rejected.

I put paragraph 11 to the vote.

Paragraph 11 is adopted.

We shall now consider the amendments to paragraph 12.

I put Amendment No 53 to the vote.

Amendment No 53 is rejected.

I put Amendment No 11 to the vote.

Amendment No 11 is rejected.

I call Mr Früh for an explanation of vote.

**Mr Früh.** — (*D*) Mr President, Amendment No 4 seeks to replace paragraph 12. We cannot vote in favour of this. However, we could agree if the amendment were to become paragraph 12a.

(*Mixed reactions*)

**President.** — I put Amendment No 4 to the vote.

Amendment No 4 is rejected.

I put paragraph 12 to the vote.

Paragraph 12 is adopted.

I call Mr Hughes on a point of order.

**Mr Hughes.** — Mr President, I have the greatest respect for Mr Dewulf, who moved the amendment in the Committee on Agriculture which has resulted in this particular paragraph 12. I have an equal respect for Mr Liogier, the rapporteur, and for all those who have voted for it. I do hope they realize that they have just voted for a 17.5 % decrease in agricultural prices in this Community. Because what they have got wrong is that they have asked for a decrease in units of account of the new EMS, which is not the way it is proposed by the Commission, and they have simply got their mathematics wrong, and they have asked for a decrease in prices ...

(*Protests from various quarters*)

**President.** — Mr Hughes, I called you on a point of order and not to make a statement.

**Mr Hughes.** — I am sorry. All I ask, Mr President, as a point of order — formally as a point of order — is whether you, as President, would advise this House

whether a 3 % increase in European units of account is a 17 % decrease in agricultural units of account.

**President.** — This is an assessment which has nothing to do with procedure. Each Member of this House is aware of and responsible for his own vote.

After paragraph 12, Mr Pisoni, Mr Ligios and Mr Brugger have tabled Amendment No 24/rev. seeking to insert the following new paragraph :

12a. Urges that, in order to restore the price mechanism to its original function of acting as an incentive or disincentive for agricultural production, the prices of products of which there is a structural surplus should not be increased ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (*F*) I shall leave the decision to the House.

**President.** — I put to the vote Amendment No 24/rev.

As the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

Amendment No 24/rev. is adopted.

On paragraph 13 there are two amendments. The Socialist Group has tabled Amendment No 54 seeking to delete the paragraph, and the European Conservative Group has tabled Amendment No 12 seeking to delete the following :

maintain that an increase .....finance their investments ;

What is Mr Liogier's position on Amendment No 54 ?

**Mr Liogier, rapporteur.** — (*F*) Against, Mr President.

**President.** — I put Amendment No 54 to the vote.

Amendment No 54 is rejected.

What is Mr Liogier's position on Amendment No 12 ?

**Mr Liogier, rapporteur.** — (*F*) I am in favour of this amendment, Mr President, in view of the fact that paragraphs 10 to 12 have been adopted.

**President.** — I put Amendment No 12 to the vote.

Amendment No 12 is adopted.

I put to the vote paragraph 13, thus amended.

Paragraph 13, thus amended, is adopted.

On paragraph 14 there are two amendments. Both amendments, No 13 by the European Conservative Group and No 55 by the Socialist Group, seek to delete the paragraph.

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (*F*) I dislike these amendments.



**President.** — I put Amendment No 13 to the vote. Amendment No 13 is rejected.

Amendment No 55 must therefore also be rejected.

I put paragraph 14 to the vote.

Paragraph 14 is adopted.

After paragraph 14, Mr Herbert, on behalf of the Group of European Progressive Democrats, has tabled Amendment No 71 seeking to insert the following paragraph :

14a. Views with dismay the efforts to allow imports of beef from the United States ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) I shall let the House decide.

**President.** — I put Amendment No 71 to the vote. Amendment No 71 is rejected.

I put paragraph 15 to the vote.

Paragraph 15 is adopted.

On paragraph 16, the Socialist Group has tabled Amendment No 35 seeking to add to the end of the paragraph the following words :

... and the geographical origin of these surpluses ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) I accept this amendment, Mr President. It is in keeping with the 10th recital.

**President.** — I put Amendment No 35 to the vote. Amendment No 35 is adopted.

I put to the vote paragraph 16, thus amended.

Paragraph 16, thus amended, is adopted.

After paragraph 16, Mr Vitale has tabled Amendment No 66 seeking to insert the following new paragraph :

16a. Considers in this context that it is now time to introduce intervention ceilings in the milk and milk products sector in those countries which are responsible for structural surpluses, while at the same time guaranteeing adequate compensation for loss of income for producers who undertake production conversions ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) I am against the amendment, Mr President.

**President.** — I put Amendment No 66 to the vote. Amendment No 66 is rejected.

On paragraph 17 there are nine amendments. Amendment No 56 by Mr Dewulf has since been withdrawn.

Mr Howell has tabled Amendment No 69 seeking to amend the paragraph as follows :

Considers that the alternatives to the proposed co-responsibility levy have been insufficiently examined in parliamentary and public discussion ; accordingly proposes a Production Responsibility scheme implemented at the level of the individual farm, in which farmers would be given the choice of producing a lower amount of milk for a higher unit price (thus maintaining incomes) and any production in excess of market requirements would receive a significantly lower price ;

The Socialist Group has tabled Amendment No 36 seeking to amend the paragraph as follows :

Considers that the proposed adjustments to the co-responsibility levy can make it a more effective means of reducing surpluses and, moreover, that the exemption to be applied to small producers and holdings in less-favoured and mountain areas will be useful ;

Mr Herbert has tabled Amendment No 73 seeking to amend the paragraph as follows :

Does not accept the co-responsibility levy in principle but if it is continued it must be subject to the following conditions : . . . . . (rest unchanged)

The European Conservative Group has tabled Amendment No 14 seeking to delete subparagraph 17f, and Amendment No 15 seeking to amend subparagraph 17g as follows :

it is not applied to mountain areas

The European Conservative Group has tabled Amendment No 16 seeking to delete subparagraph 17i, and Amendment No 17 seeking to add the following new subparagraph :

17j. points out the unorthodox budgetary nature of the co-responsibility levy including the negation of the principle of fiscal equality involved in the proposed exemptions ;

The European Conservative Group has tabled Amendment No 18 seeking to add the following new subparagraph :

17k. points out the undemocratic nature of a tax decided by one arm of the budgetary authority alone ;

What is Mr Liogier's position on Amendment No 69 ?

**Mr Liogier, rapporteur.** — (F) Against, Mr President.

**President.** — I put Amendment No 69 to the vote. Amendment No 69 is rejected.

What is Mr Liogier's position on Amendment No 36 ?

**Mr Liogier, rapporteur.** — (F) Against, Mr President.

**President.** — I put Amendment No 36 to the vote. Amendment No 36 is rejected.

What is Mr Liogier's position on Amendment No 73 ?

**Mr Liogier, rapporteur.** — (F) Against, Mr President.

**President.** — I put Amendment No 73 to the vote. Amendment No 73 is rejected.

**President**

I put to the vote the first part of paragraph 17 and subparagraphs 17a to 17d.

The first part of paragraph 17 and subparagraphs 17a to 17d are adopted.

What is Mr Liogier's position on Amendment No 14?

**Mr Liogier, rapporteur.** — (F) Mr President, although I am personally against the coresponsibility levy, as rapporteur I have to plead for the rejection of this amendment in the light of what was decided by the Committee on Agriculture.

**President.** — I put Amendment No 14 to the vote. Amendment No 14 is rejected.

I put subparagraph 17f to the vote.

Subparagraph 17f is adopted.

What is Mr Liogier's position on Amendment No 15?

**Mr Liogier, rapporteur.** — (F) Against, Mr President.

**President.** — I put Amendment No 15 to the vote. Amendment No 15 is rejected.

I put subparagraph 17g to the vote.

Subparagraph 17g is adopted.

I put subparagraph 17h to the vote.

Subparagraph 17h is adopted.

What is Mr Liogier's position on Amendment No 16?

**Mr Liogier, rapporteur.** — (F) Against, Mr President.

**President.** — I put Amendment No 16 to the vote. Amendment No 16 is rejected.

I put subparagraph 17i to the vote.

Subparagraph 17i is adopted.

What is Mr Liogier's position on Amendment No 17?

**Mr Liogier, rapporteur.** — (F) I am against it.

**President.** — I put Amendment No 17 to the vote. Amendment No 17 is rejected.

What is Mr Liogier's position on Amendment No 18?

**Mr Liogier, rapporteur.** — (F) I can accept this amendment.

**President.** — I put Amendment No 18 to the vote. Amendment No 18 is adopted.

I put to the vote paragraph 17, thus amended, as a whole.

Paragraph 17, thus amended, is adopted.

After paragraph 17, Mr W. Müller, on behalf of the Committee on the Environment, Public Health and Consumer Protection, has tabled Amendment No 5 seeking to insert the following new paragraph:

17a. Calls on the Council and the Commission to consult Parliament in due course on the use of the resources generated by the coresponsibility levy and to allow representatives of the European consumer

associations to participate in the Commission's 'Coresponsibility Group', as well as producers' representatives;

What is Mr Liogier's position?

**Mr Liogier, rapporteur.** — (F) Mr President, I should like a vote item by item. The first part of the paragraph would read as follows:

Calls on the Council and the Commission to consult Parliament in due course on the use of the resources generated by the coresponsibility levy;

In my view, this part should be adopted, as it concerns consultation with Parliament on the use of the resources derived from the levy.

The second part, however, should be deleted, because it goes on:

and to allow representatives of the European consumer associations to participate in the Commission's 'Coresponsibility Group', as well as producers' representatives;

There should be no consumers beside the producers, because the latter are the ones who are paying the levy. The second part of this amendment is therefore unacceptable.

To sum up, if we vote separately on each part, I am in favour of the first part but against the second part.

**President.** — Mr Liogier has proposed a separate vote on each part of this amendment.

I put to the vote Amendment No 5 as far as *coresponsibility levy*.

This part of Amendment No 5 is adopted.

I put to the vote the second part of Amendment No 5, from *and to allow* to *producers' representatives*.

The second part of Amendment No 5 is rejected.

There are two amendments on paragraph 18: Amendment No 57 by Mr Dewulf, which has since been withdrawn, and Amendment No 72 by Mr Herbert seeking to delete the following words:

in addition to the coresponsibility levy

What is Mr Liogier's position?

**Mr Liogier, rapporteur.** — (F) I accept this amendment because the coresponsibility levy has already been dealt with in paragraph 17. These words may be deleted in order to avoid repetition.

**President.** — I put Amendment No 72 to the vote. Amendment No 72 is rejected.

I put paragraph 18 to the vote.

Paragraph 18 is adopted.

On paragraph 19, the Socialist Group has tabled Amendment No 37 seeking to delete the paragraph.

What is Mr Liogier's position?

**Mr Liogier, rapporteur.** — (F) I am against it.

**President.** — I put Amendment No 37 to the vote.

**President**

Amendment No 37 is rejected.

I put paragraph 19 to the vote.

Paragraph 19 is adopted.

There are two amendments on paragraph 20 : Amendment No 32 by the Socialist Group seeking to delete the paragraph, and Amendment No 47 by Mr Cunningham and Lord Bruce of Donington seeking to amend the paragraph as follows :

Notes that the long-term balance in dairy products would be only marginally improved by the abandonment of Treaty obligations on the import of butter from third countries ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) I am against both amendments.

**President.** — I put Amendment No 32 to the vote.

Amendment No 32 is rejected.

I put Amendment No 47 to the vote.

Amendment No 47 is rejected.

I put paragraph 20 to the vote.

Paragraph 20 is adopted.

After paragraph 20, Mr Herbert, on behalf of the Group of European Progressive Democrats, has tabled Amendment No 70 seeking to insert the following new paragraph :

20a. Rejects any efforts to renew imports of cheese from third countries within the context of GATT negotiations or otherwise ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) I leave the decision to the House.

**President.** — I put Amendment No 70 to the vote.

Amendment No 70 is rejected.

There are two amendments on paragraph 21 : Amendment No 19 by the European Conservative Group seeking to delete the paragraph, and Amendment No 33 by the Socialist Group seeking to amend the paragraph as follows :

Rejects any suggestion for a tax on margarine as a means of making butter more competitive ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) I am not in favour of either amendment.

**President.** — I put Amendment No 19 to the vote.

Amendment No 19 is rejected.

I put Amendment No 33 to the vote.

Amendment No 33 is rejected.

I put paragraph 21 to the vote.

Paragraph 21 is adopted.

On paragraph 22, the Socialist Group has tabled Amendment No 38 seeking to amend the paragraph as follows :

Approves the reduction in the B quota for sugar but feels that the present proposals do not go far enough to reduce the continuing Community surpluses in sugar which, when sold on world markets with export refunds, depress the already very low incomes of cane sugar producers ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) Against, Mr President.

**President.** — I put Amendment No 38 to the vote.

Amendment No 38 is rejected.

I put paragraph 22 to the vote.

Paragraph 22 is adopted.

I put paragraph 23 to the vote.

Paragraph 23 is adopted.

On paragraph 24, the Socialist Group tabled Amendment No 39 seeking to delete the paragraph, but this amendment has since been withdrawn.

I put paragraphs 24 to 26 to the vote.

Paragraphs 24 to 26 are adopted.

There are two amendments on paragraph 27. The European Conservative Group has tabled Amendment No 20 seeking to amend the paragraph as follows :

Welcomes in principle the Commission's guidelines for structural policy which will concentrate aid from the EAGGF on the particularly less-favoured regions with a large number of small farms ; reserves its position until detailed proposals have been published, but warns that plans for reducing aid for modernization may conflict with the objectives of the agricultural policy as set out in the Treaty, more particularly Article 39 (1), and therefore rejects any suggestion that structural directives should be amended in such a way as to exclude farms exceeding a certain scale ;

The Socialist Group has tabled Amendment No 40 seeking to amend the paragraph as follows :

Welcomes in principle the Commission's guidelines for structural policy which will make it possible for aid from the EAGGF to be concentrated on the particularly less-favoured regions with a large number of small farms and considers that an agricultural and rural structural policy can only be devised as part of a regional and social economic policy that is integrated, binding and selective ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) I am against.

**President.** — I put Amendment No 40 to the vote.

Amendment No 40 is adopted.

Amendment No 20 must therefore be rejected.

I put to the vote paragraph 27, thus amended.

Paragraph 27, thus amended, is adopted.

On paragraph 28, the Socialist Group tabled Amendment No 41 seeking to delete the paragraph, but this amendment has since been withdrawn.

**President**

I put paragraph 28 to the vote.

Paragraph 28 is adopted.

After paragraph 28, Mr Vitale has tabled Amendment No 67 seeking to insert the following new paragraph :

28a. Considers, however, that the Commission has been too evasive as regards structural policy since we can no longer continue following blindly to advance along the tortuous path of price policy, from one marketing year to the next, without knowing what general pattern of structural reform the Community intends to pursue to break out of the limitations of the policy hitherto followed in this sector ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) I am against.

**President.** — I put Amendment No 67 to the vote.

Amendment No 67 is rejected.

I put paragraph 29 to the vote.

Paragraph 29 is adopted.

There are two amendments on paragraph 30 : Amendment No 7 by Mr Nielsen, on behalf of the Liberal and Democratic Group, seeking to delete the paragraph, and Amendment No 42 by the Socialist Group seeking to add in this paragraph after the words *Invites the Commission* the words *and the national governments*.

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) Mr President, I feel obliged to clarify one or two points here. I wonder, in fact, whether the Community is really responsible for land policy, because we run up against the problem of the sovereignty of each Member State. Nonetheless, I agree that a certain amount of harmonization and certain incentives may well be desirable at Community level. This point should be gone into very carefully at some future date. In the meantime, I shall let the House decide. Let me say that I shall accept the Socialist amendment which is about to follow and which calls for the participation of the national governments, should the Nielsen amendment for which I have expressed my support be rejected.

**President.** — I put Amendment No 7 to the vote.

Amendment No 7 is rejected.

I put Amendment No 42 to the vote.

Amendment No 42 is adopted.

I put to the vote paragraph 30, thus amended.

Paragraph 30, thus amended, is adopted.

After paragraph 30 there are two amendments. The European Conservative Group has tabled Amendment No 21 seeking to insert the following new paragraph :

30a. Points out the inestimable value in agricultural, rural and environmental planning of a Community land-use survey, and asks the Commission to undertake such a survey as soon as possible ;

Mr Vitale has tabled Amendment No 68 seeking to insert the following new paragraph :

30a. Recalls, however, that a new structural policy cannot be achieved without a sound land policy, based on viable holdings and stronger cooperative systems, pointing out that it is high time the rental system was extended to those regions of the Community in which unjust and outdated forms of share-cropping and cattle-leasing still survive ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) Mr President, I have always advocated the drawing up of a land register for the wine industry and I should therefore welcome a Community land survey. Consequently, I accept Amendment No 21 but reject Amendment No 68.

**President.** — I put Amendment No 21 to the vote.

Amendment No 21 is adopted.

I put Amendment No 68 to the vote.

Amendment No 68 is rejected.

I put paragraph 31 to the vote.

Paragraph 31 is adopted.

After paragraph 31, the European Conservative Group has tabled Amendment No 22 seeking to insert the following new paragraph :

31a. Believes therefore that the Commission and Parliament should study the suitability of introducing a Community Rural Policy, financed by a Rural Fund, to promote integrated and coordinated development of farming and non-agricultural activities in rural areas ; such a rural policy would be ideally suited to the needs of the three applicant countries, and would also lessen the impact of their accession on the agricultural sectors of the present Member States ;

What is Mr Liogier's position ?

**Mr Liogier, rapporteur.** — (F) Mr President, the Common Agricultural Policy is in fact part of a rural policy still to be defined. I am not against this amendment, and I leave the decision to the House.

**President.** — I put Amendment No 22 to the vote.

Amendment No 22 is adopted.

Amendment No 43 by the Socialist Group seeking to delete paragraph 32 has been withdrawn.

I put paragraph 32 to the vote.

Paragraph 32 is adopted.

Amendment No 44 by the Socialist Group seeking to delete paragraph 33 has been withdrawn.

I put paragraph 33 to the vote.

Paragraph 33 is adopted.

After paragraph 33, Mr Howell has tabled Amendment No 74 seeking to insert the following new paragraph :

33a. In the interest of establishing a better balance between supply and demand in the eggs and

**President**

poultry sector, requests the introduction of a European Poultry Council;

What is Mr Liogier's position?

**Mr Liogier, rapporteur.** — (F) I am against.

**President.** — I put Amendment No 74 to the vote.

Amendment No 74 is rejected.

Amendment No 45 by the Socialist Group seeking to delete paragraph 34 has been withdrawn.

I put paragraph 34 to the vote.

Paragraph 34 is adopted.

Amendment No 46 by the Socialist Group seeking to delete paragraph 35 has been withdrawn.

I put paragraphs 35 to 38 to the vote.

Paragraphs 35 to 38 are adopted.

After paragraph 38 there are three amendments. Mr W. Müller, on behalf of the Committee on the Environment, Public Health and Consumer Protection, has tabled Amendment No 6 seeking to insert the following new paragraph:

38a. Calls upon the Commission to provide clear, detailed information in the form of a 'green paper' to Parliament and European public opinion on all existing forms of national aid in the agricultural sector in general and in the milk sector in particular and to make energetic representations to the Council and the Member States to persuade them to dismantle national aids that conflict with Community measures;

Mr Ligios, Mr Brugger, Mr Pisoni, Mr Pucci and Mr Granelli have tabled Amendment No 35/rev. seeking to insert the following new paragraph:

38b. While approving the principle of avoiding the creation of surpluses, rejects the idea of setting quantitative limits for fruit and vegetables which benefit from processing aid pursuant to Regulation 1152/78 of 30 May 1978, in the light of the excellent results obtained during the past marketing year;

Mr Ligios, Mr Brugger, Mr Pisoni, Mr Pucci and Mr Granelli have tabled Amendment No 59 seeking to insert the following new paragraph:

38a. Requests that, in order to help dispose of the present surpluses in certain products such as butter, milk powder, fodder grain and beef and veal, more should be done with appropriate aid from the EAGGF to transfer intervention centres from the areas of surplus to the areas of shortage in the Community;

What is Mr Liogier's position?

**Mr Liogier, rapporteur.** — (F) Mr President, I shall let the House decide on Amendment No 6, but I should like to point out that a list of national aid

measures has already been sent to the chairman of the Committee on Agriculture and that a green paper in this sector would only increase the workload of a bureaucracy which would be much better employed taking a very careful look at the compatibility of national aid with Community provisions.

As for Amendments Nos 25/rev. and 59, tabled by Mr Ligios and others, I am in favour of these.

**President.** — I put Amendment No 6 to the vote.

Amendment No 6 is adopted.

I put Amendment No 59 to the vote.

Amendment No 59 is adopted.

I put to the vote Amendment No 25/rev.

Amendment No 25/rev. is adopted.

I put paragraph 39 to the vote.

Paragraph 39 is adopted.

Before the motion for a resolution as a whole is put to the vote, Members may give explanations of vote.

I call Mr Hughes.

**Mr Hughes.** — Mr President, either this House has asked for a 3% increase or it has asked for a 17% decrease. Now, unfortunately, one has to be a little technical. The European Unit of Account is at the moment 20.5% out of line with the agricultural unit of account as of 6.43 p.m. on 15 March 1979. The amendments which said we have a freeze do not affect that, but the amendment carried by this House asks for the increase to be expressed precisely in European Units of Account. A 3% increase in agricultural prices in European Units of Account would mean a 17.4% decrease in actual intervention prices throughout the Community. I do not believe that was the intention of Mr Dewulf when he moved this in the Committee on Agriculture, and I do not believe it was the intention of this House when they voted it. But in a formal, legal sense it is what this House, against the Socialist Group's position, has ended up voting. Therefore, Mr President, in explaining my vote I shall vote against this opinion because I cannot be seen in front of my farmers to ask for a 17.5% decrease in sterling, Deutschmark, French Franc or Lira terms in their intervention prices. That is what legally this House has voted for, though they did not intend to. Equally, if they had voted for what they thought they were voting, i.e., a 3% increase, I would have to vote, and ask my honourable friends to support me in voting, against this motion.

And therefore with no difficulty at all I now urge my friends to vote against the motion and explain my reason for voting against.

**President.** — I call Mr Forni.

**Mr Forni.** — (*F*) Mr President, ladies and gentlemen, since yesterday we have been listening to the problem of the Common Agricultural Policy, and after this debate it seems to us that this policy is in increasingly urgent need of reform. That is why the French Socialists demand its reform. And for the same reason they have asked for a complete review of agricultural problems prior to the enlargement of the Community. Mr President, ladies and gentlemen, I should like to second the proposal made this morning by my colleague, Mr Pisani, regarding a new Stresa Conference, which would indeed enable Europe to know where it is and where it is going with regard to agriculture. In the meantime — and on the particular point before us today — any piecemeal interference with the system of the Common Agricultural Policy not geared to restoring its overall equilibrium is unacceptable to us, and that goes for me personally and for the French Socialists. I should like to list the four main points to which this applies.

Firstly, the freezing of prices. It is obviously wrong to pretend that agricultural incomes have risen more than those of other categories. Agriculture has been particularly badly hit by inflation, whether it be the price of land or the price of agricultural equipment and products which are essential for farming.

We French Socialists consider that a price rise, even a moderate one, is indispensable if we are to avoid the disappearance of a number of farmers, an increase in the number of unemployed and growing difficulties affecting the farming community.

Secondly, the co-responsibility levy. We do not have the impression that this system does not harm small and medium-sized holdings, particularly those relying on dairy production, nor do we have the impression that the co-responsibility levy keeps the vast profits made by large-scale producers within acceptable limits; thus we do not have the impression that this levy discourages surpluses. We French Socialists are therefore against the setting up of this system unless it is accompanied by a levy on production.

The third reason for our opposition is the problem of the tax on margarine. We are aware that there are stocks of butter. We are aware that production is sufficient to guarantee the incomes of small farmers. We are aware that Europe is suffering from a shortage of vegetable protein. For these and many other reasons, we are in favour of taxing margarine.

Our fourth and last reason concerns monetary compensatory amounts. There is no need to bring up again the very serious imbalances and the losses of income caused by the system, nor the resulting disadvantages for France's farmers. This is why we strongly supported the amendment tabled by our friend and colleague Mr Soury requesting the immediate abolition of MCAs, which we consider all the more neces-

sary now that the European Monetary System has been established.

Thus, Mr President, leaving aside any European ideology, we are anxious to see further and swifter progress towards the building of Europe. Furthermore, this attitude is based on national interest. We know that the Common Agricultural Policy as it stands is economically and socially harmful to French farmers, and this is why we shall support the opinion presented by the rapporteur of the Committee on Agriculture.

**President.** — I call Mr Dewulf.

**Mr Dewulf.** — (*NL*) Mr President, Mr Hughes would have done better to give his lesson in ethics and mathematics in the Committee on Agriculture, where it could easily have been discussed. But Mr Hughes and the whole of his Group walked out of the committee meeting! I maintain that the paragraph must be read as a whole and that it was properly worded. I would even go so far as to point out that, yesterday evening, the President of the Council of Agriculture Ministers made a statement to that effect during the Council's debate on prices.

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — Mr President, I shall vote against the whole of this document, not least because it is a magnificently unrealistic piece of work, but also because it is frankly not in the interests either of the consumer in the Community or of those undertakings that we have in relation to other countries. To suggest seriously that, whilst refusing in any way to cut down the production of sugar in the Community, we should direct the ACP countries to change their primary product production, is I think, nothing short of outrageous.

The suggestion that we should have a tax on margarine — in other words saying that when people cannot afford to buy butter it should not be possible for them to buy alternative foods — is something that will be regarded as indefensible by many people in the Community. Frankly, I have the gravest doubts that this result today will be regarded as a serious contribution to government of any kind inside or outside the EEC.

**President.** — I call Mr Vitale.

**Mr Vitale.** — (*I*) We Italian Communists will vote against Mr Liogier's motion for two main reasons, which I shall outline very briefly.

The first is that we consider that this year, perhaps for the first time, the Commission's proposals go further than those put forward by Parliament. As I said yesterday, this is the first time that the Commission's proposals — which we on the whole support apart from the reservations which I already expressed yesterday — attempt to link agricultural problems

Vitale

with the problems of inflation and with general European economic problems, i.e. they attempt to get away from narrow sectoral interests. This is the first reason for which we shall vote against Mr Liogier's motion, which seems to be extremely narrow in conception. The second reason — for which I apologize to the House — is that Parliament is being somewhat inconsistent on this point. Last year we set a ceiling for expenditure on supporting agricultural prices. This year the same question came up for debate, on the basis of the amendment tabled by us, and the same Parliament, strangely enough, rejected it. The explanation is probably that either last year we were a little tired — or even fast asleep — or that this year we in Parliament have performed an about-turn.

Another reason is that I — or rather we as a Group — have submitted to Parliament a similar amendment to the one adopted in 1975, which then was tabled by the opposite side of the House, namely by Mr Scott-Hopkins, calling for the setting up of a multiannual programme instead of proceeding from year to year. It is strange that an amendment adopted three years ago should be rejected today, especially when the need for it is now even greater.

So for these reasons, and in keeping with the position we expressed in the House yesterday, and to support the Commission's proposals, we Communists shall vote against the motion.

**President.** — I call Mr Eberhard.

**Mr Eberhard.** — (F) Mr President, my colleague André Soury explained yesterday the position of the French Communists on the Common Agricultural Policy. Suffice it for me to stress that our agriculture is being sacrificed to the interests of the multinational concerns, who benefit when agricultural prices are fixed as low as possible.

We have tried, despite everything, to amend this motion for a resolution. We were too naive. French farmers believed that the French Government would hold up the start of the EMS until monetary compensatory amounts were abolished. We now learn that MCAs will perhaps be abolished in four years time but that new ones are being introduced; and at the same time the EMS has come into force. French farmers are not going to be pleased. We asked for the abolition of the co-responsibility levy. Our request was not granted. We considered that the proposed increase in agricultural prices was far too small. We do not deny that the motion for a resolution contains some positive elements, but in view of all the negative aspects which I have just pointed out, our Group will not be able to vote for the motion.

**President.** — I put the motion for a resolution as a whole to the vote. The resolution is approved.<sup>1</sup>

(Applause from certain quarters on the right)

I call Mr Hughes on a point of order.

**Mr Hughes.** — Mr President, could I, on behalf of the House, thank Mr Liogier as rapporteur for all the work he has done in looking after and preparing this report on which we have just voted.

As one who has opposed him throughout, I would like personally, and on behalf of my group and the whole House, to thank Mr Liogier for his work on this report.

(Applause)

**President.** — I think that we all join you in thanking Mr Liogier.

### 7. Agenda

**President.** — I call Mr Berkhouwer on a point of order.

**Mr Berkhouwer.** — (NL) Mr President, I have a question on the rest of today's proceedings. Am I right in thinking that we have now come to the end of the voting on the agriculture report and that Question Time will come after the votes? This means that Question Time would begin at about 7 p.m. and last until about 8.30 p.m.

We agreed that we would close today's sitting by 9 p.m. at the latest. So what is to become of the three important items which are still on the agenda, namely the questions by Mr Granelli, Mr Vernaschi, Mr Bersani and others to the Foreign Ministers meeting in political cooperation, the oral question by Mr Ansquer and the question on the Rhine agreement? Will we be able to deal with these items by 9 p.m.? I am sure that the oral question on the Rhine agreement will still be topical a month from now, so perhaps it could be placed on the agenda for the April part-session. I would agree to postpone this item, but I am putting the question to you as a constructive contribution to our proceedings.

**President.** — I note that Parliament agrees, and the oral question is therefore postponed.

### 8. Votes (resumption)

**President.** — I put to the vote the motion for a resolution contained in the *Corrie report (Doc. 7/79): Regulations on fisheries.*

The resolution is adopted.<sup>1</sup>

**President.** — I put to the vote the motion for a resolution contained in the *Corrie report (Doc. 8/79): Regulation on inshore fishing.*

<sup>1</sup> OJ C 93 of 9. 4. 1979.

<sup>1</sup> OJ C 93 of 9. 4. 1979.

**President**

The resolution is adopted.<sup>1</sup>

**President.** — We shall now consider the *motion for a resolution tabled by Mr Martinelli and others (Doc. 6/79): Relations between China and the European Community.*

On the first indent of the preamble, I have Amendment No 1, tabled by Lord Kennet on behalf of the Socialist Group :

Replace in the first indent the word 'Europe' by the words 'European Community'.

I call Lord Kennet.

**Lord Kennet.** — The preamble to the motion for a resolution speaks of relations between 'Europe and China'. I do not think that it is the job of this Parliament to have any policy about relations between, for instance, the Soviet Union and China, but the Soviet Union is a European power. I propose therefore to change the word 'Europe' to the 'European Community'. I think this was just an error of drafting in the resolution.

**President.** — What is Lord Bessborough's position ?

**Lord Bessborough.** — We accept this change.

**President.** — I put Amendment No 1 to the vote. Amendment No 1 is adopted.

I put to the vote the first indent, thus amended.

The first indent of the preamble is adopted.

I put to the vote the last four indents of the preamble and paragraph 1 of the motion for a resolution.

The last four indents of the preamble and paragraph 1 of the motion for a resolution are adopted.

On paragraphs 2 to 8, I have Amendment No 2, tabled by Lord Kennet on behalf of the Socialist Group :

Replace these paragraphs by the following :

2. Reaffirms its endorsement of the Trade Agreement signed on 3 April 1978 ;
3. Welcomes the announcement of the first meeting of the Mixed Committee provided for in the Agreement and calls for the setting up of appropriate working groups within that framework ;

I call Lord Kennet.

**Lord Kennet.** — This is the only opportunity that I shall have had to speak to the substance of the amendment. It was not possible before, and I must therefore take a couple of minutes about it.

The amendment proposes to delete paragraphs 2 to 8. We naturally wish to keep paragraph 1 ; this is agreed ground. From paragraph 2 onwards, the

motion for a resolution appears to the Socialist Group to take up an attitude somewhat diagonal to reality, and I want to go through the various paragraphs in it which we seek to remove.

Paragraph 2 proposes the establishment of a Standing Conference of representatives of China and of the European Community. Now this is something quite distinct from the Joint Committee mentioned in the text of the trade agreement which Parliament has already welcomed. That Joint Committee, as we heard last night, is meeting for the first time on 3 May. I do not think Parliament should call for another body, a Standing Conference as well as the Joint Committee, without further enquiry, and I think that, pending the examination of all these details by the appropriate committee, which is beginning its work on Tuesday, this rather detailed requirement for a second body should be removed.

Paragraph 3 of the motion calls on the Commission to set up in addition a joint committee of experts with representatives of the People's Republic. This is a third thing. It is not the Joint Committee in the Treaty because that has already been set up. It is not the Standing Conference, because that is in paragraph 2. This is now a third body which is being called for — a joint committee of experts. Once again, it seems to us that such a degree of institutional detail should not be passed without examination in committee.

Paragraph 4 calls for a patent convention to be signed by the Community and by China. Once again, I think there are a lot of arguments about this. None of us in the Socialist Group know — no doubt the other groups know, but we do not know — what the attitude of China to a patent convention is, and we should like time to go into it in the committee, which, I repeat, is to begin its work on Tuesday.

Paragraph 5 calls on the European Community — here we go again — to establish working parties and advisory groups. That is a fourth thing which the resolution wants us to establish. Once again, it may be a good idea or it may not, but I see no need to railroad it through under urgent procedure. Let us examine it in committee and come to a balanced opinion.

Paragraph 6 requests the Commission to take account of the growing need of Community firms for energy and raw materials from China. Of course that is unobjectionable as it stands, but those few Members who had the advantage of hearing Lord Bessborough's speech last night will no doubt remember the possibility he suggested of European mining firms and consortia operating directly in China. Against the background of that speech I would, once again, not be too happy to endorse this without examination in committee.

Paragraph 7 calls for the establishment of diplomatic representation of the Community in Peking. This, we really must admit, is out of the question. Before there is diplomatic representation in Washington or Madrid

<sup>1</sup> OJ C 93 of 9. 4. 1979



**Lord Kennet**

or Athens, how can we possibly expect to begin in Peking?

With paragraph 8, the Socialist Group once more joins forces with the other groups in Parliament in calling for an improvement of relations and a positive attitude.

I must now turn very briefly to what it is that the Socialist Group wishes to substitute for these deleted paragraphs. It is quite simply a welcome for the Joint Committee provided for under the Treaty, which is to meet on 3 May. This is the good news that we welcome. The motion before the House does not even mention that first meeting under the Treaty. It does seem to me that much of this — I repeat the phrase — is at a diagonal to reality, and that we should concentrate our minds on the real world by adopting the amendment to the motion for a resolution and then adopting the amended resolution, for which the Socialist Group will, of course, be happy to vote.

**President.** — I put Amendment No 2 to the vote. Amendment No 2 is rejected.

I put paragraphs 2 to 8 to the vote.

Paragraphs 2 to 8 are adopted.

I put paragraphs 9 and 10 to the vote.

Paragraphs 9 and 10 are adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.<sup>1</sup>

### 9. Question Time

**President.** — The next item is the third part of Question Time (Doc. 1/79).

We shall begin with the questions to the Council.

Question No 35 by Lord Kennet:

What action does the Council intend to take on the proposal from the EBCU that a network covering the Member States should be set up to provide rapid information on dangerous products?

**Mr Bernard-Reymond, President-in-Office of the Council.** — (F) No proposal has yet been submitted to the Council by the Commission for the setting up of a network to provide information between the Member States on dangerous products. If such a proposal were submitted, the Council would consider it as soon as possible, taking account of the risks to be avoided in this area and the interest shown in this matter by the European Bureau of Consumers' Unions.

**Lord Kennet.** — Has the Council of Ministers yet acknowledged the letter which was sent to it by the

European Bureau of Consumers' Unions on this subject last December?

**Mr Bernard-Reymond.** — As a general rule the Council does not acknowledge letters. It simply notes proposals from the Commission. I would, however, like to take this opportunity of repeating that it would consider with great interest any proposal submitted to it by the Council. I would also point out that the Commission has recently decided to forward its proposals to us in the second half of this year.

### IN THE CHAIR: MR YEATS

#### *Vice-President*

**President.** — In the absence of its author, Question No 36 will receive a written answer\*.

Question No 37 is held over until the next part-session.

In the absence of its author, Question No 38 will receive a written answer\*.

Question No 39 is held over until the next part-session.

Question No 40, by Mr Flämig:

How does the Council view the future development of Euratom?

**Mr Bernard-Reymond, President-in-Office of the Council.** — (F) This is a very general question which has not as yet been dealt with in a Commission proposal or a debate within the Council.

**Mr Flämig.** — (D) Is it true, as press reports have it, that the Member State having the Presidency of the Council is considering a restriction of Euratom controls, and can therefore the President-in-Office of the Council confirm that under the Euratom Treaty the principal task of Euratom, not to say its *raison d'être*, apart from ensuring supplies of fissionable material, is control of the safety of the whole fuel cycle and that if this was undermined, the European Community would be deprived of one of its three pillars?

**Mr Bernard-Reymond.** — (F) You will readily understand that, as President-in-Office of the Council I cannot answer this question since, at the beginning, it refers to information obtained from the press in my country. Therefore, it is only as French Secretary of State for Foreign Affairs that I can provide some details. France is not requesting a genuine re-negotiation of the Euratom Treaty, but is merely considering whether — as provided for by its authors — certain amendments should be made to the Treaty, Chapter VI of the Treaty stipulates that it shall be valid for 7 years. This period has long since expired.

<sup>1</sup> OJ C 93 of 9. 4. 1979.

\* See Annex.

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Moreover, it is clear that there has been considerable development in nuclear material since the Treaty was drawn up and this is a reason why France is considering the matter.

**Mr Dalyell.** — Whilst appreciating the President-in-Office's difficulty, would he not accept that, in accordance with the Euratom Treaty, in addition to ensuring the supply of nuclear fuel, the Euratom controls are the *raison d'être* of Euratom, and that to abolish these would remove one of the three pillars of the Community.

**Mr Bernard-Reymond.** — (F) This is a question for the Court of Justice rather than for the President of the Council who is not competent to deliver rulings on the Treaty.

**President.** — Question No 41, by Mr Schmidt :

Has the Council been informed since the last part-session, either formally or informally, by the Governments of France and Luxembourg about the construction projects in Strasbourg and Luxembourg?

**Mr Bertrand-Reymond, President-in-Office of the Council.** — (F) In accordance with the decisions taken by the Governments of the Member States on provisional places of work, it is for the authorities of the Member States to take appropriate measures to enable the institutions to have the premises they require. As you know work on buildings intended to improve the working conditions of the European Parliament, in view in particular of the future increase in the number of Members of Parliament after the elections by direct universal suffrage, is in progress in the provisional places of work. I am given to understand that the work is, of course, being carried out in contact with the competent bodies of the European Parliament.

**Mr Dalyell.** — While all of us recognize that it is a little difficult for young ministers to go and tell the boss, be he the Federal Chancellor, the British Prime Minister, or the President of the Republic, that he is talking controversial nonsense, nonetheless, ought it not to be expressed that there are a number of us who want to see our directly elected successors succeed and the European Parliament succeed, who are very unhappy about President Giscard's alleged statement? In these circumstances, if the new Parliament continues to be peripatetic as we have been, it is simply not going to be nearly as effective as it ought to be. Should this not be expressed to the President of the Republic?

**Mr Bernard-Reymond.** — (F) The youth of the Secretary of State has nothing to do with the matter. The young Secretary of State wishes to repeat what he said at the last part-session, namely that it is not possible, at the moment, to reach agreement among

all the Member States on a single seat. In the absence of such agreement the three provisional seats of the Community, with which you are now familiar, will, I fear, be retained for some time to come, and perhaps even for a very long time.

**Mr Fellermaier.** — (D) I am of course always pleased when I can talk with a young state secretary, because I feel young people should be given a chance to hold governmental responsibility. That at least is in your favour. May I ask you then Mr State Secretary, how you would interpret it, even if all the languages we speak in the Community were used, when the President of the French Republic says in an interview transmitted by Antenne 2: 'Strasbourg is and will remain the seat of the Assembly of the European Community?' Must we not infer from this that Strasbourg is the seat, and if so how can you as President of the Council then explain that a second seat is simultaneously being established in Luxembourg?

**Mr Bernard-Reymond.** — (F) It cannot, I feel, be denied that Strasbourg is the *de facto* seat of Parliament. As I said a moment ago, the nine Member States have not so far been able to agree on a single seat. In fact, no Member State is currently questioning the existence of three seats for the Communities. With regard to Parliament, Strasbourg is the seat. Although the holding of one or two part-sessions in Luxembourg is being tolerated, this in no way detracts from the fact that the true provisional seat of Parliament is Strasbourg. I should like to take this opportunity of paying tribute to the city of Strasbourg and to its mayor who, today, is celebrating the twentieth anniversary of his election, and to say how deeply the Communities appreciate the welcome which the city has always extended to Parliament.

**Mr Sieglerschmidt.** — (D) I hold the lucidity and preciseness of the French language in legal matters in such high esteem that I really cannot accept that you and the President of the French Republic are not familiar with the difference between the terms 'provisional place of work' and 'seat'. I would therefore ask you if you have perhaps confused these terms and secondly whether the French President, who I assume is familiar with the difference, was either under the impression that a decision had already been taken under Article 216 or told us something in this interview which is not correct, because the seat simply has not yet been fixed, and there are still only provisional places of work.

**Mr Bernard-Reymond.** — (F) A dispute over terminology does not alter the fact that Parliament sits in Strasbourg. The problem is not whether we should speak of a seat or a place of work. I note that Parliament's place of work is Strasbourg and that that is where it sits.

**Mr Seefeld.** — (D) Mr Bernard-Reymond, I do not want to argue with you about questions of interpretation, but if you are right, which I doubt, then surely in your opinion the Decision of the Representatives of the Governments of the Member States on the Provisional Location of Certain Institutions and Departments of the Communities is no longer valid. This Decision, Mr State Secretary, bears the signature of a French politician, that of Mr Maurice Couve de Murville, and it states in Article 1: 'Luxembourg, Brussels and Strasbourg shall remain the provisional places of work of the institutions of the Communities.' It does not say anything about a seat, as you are saying, and least of all about the seat, as your President puts it. I would ask you to clarify this in Paris, if you can, before you give us another incorrect interpretation, as you have just done.

**Mr Bernard-Reymond.** — (F) I do not feel that explanations I gave were incomplete. If your questions are intended to make me admit that the situation has developed or changed over the last few months, I shall have to deny this categorically. The President of the Republic wishes to confirm that France wishes Strasbourg to be Parliament's place of work. Speaking on my own behalf, I would state that if Parliament and the Member States of the Community genuinely wish that there should be only one single seat, I am sure that the city of Strasbourg will not resist the friendly pressure you would put on her.

(Laughter)

**President.** — Question No 42, by Mr Würtz:

Is the Council aware of the general concern at the continuing waste of public funds and at the race between France and Luxembourg to invest sums running into many millions, which arises from the fact that a decision has still not been taken on the seat of the institutions and, in particular, of Parliament?

**Mr Bernard-Reymond, President-in-Office of the Council.** — (F) As the honourable Member is aware, a decision was taken in 1958 concerning the provisional places of work of the Community Institutions. This decision was confirmed in 1965 by a further decision annexed to the merger Treaty. In a recent letter from the President of the Council to the President of the European Parliament, the European Parliament was informed that the Governments of the Member States considered that there was no reason to change, either *de jure* or *de facto*, the current arrangements regarding the provisional places of work of the European Parliament. The decisions in question require the host States to take all necessary measures to provide the institutions concerned with the best possible working conditions.

**Mr Flämig.** — (D) Would you agree with me that, despite what you have just said, the construction of

two large chambers is fundamentally a waste of the taxpayers' money?

**Mr Bernard-Reymond.** — (F) I should like to begin by pointing out that as the money to which you refer is being supplied by the Member States on whose territory the work is being carried out, there is no question of Community funds being squandered.

Although from a strictly financial point of view, it would clearly be preferable to have a single building, I believe that, in the absence of agreement it is in Europe's interest to ensure that Members can work in conditions which are as close to normal as possible. This is the thinking which underlies the work currently in progress. Moreover, I wonder whether a variety of places of work does not also have certain advantages, in particular that of providing the possibility for the multiple and varied contacts which Members enjoy in the different cities, thereby making the work of Parliament better known and developing the European idea in the cities in which they meet.

**Mr Fellermaier.** — (D) I have to tell you that what you have just said about the expenditure not being borne by European institutions is not correct. I would ask you or one of your colleagues to refer to the budget of the Community. There you will see what horrendous rents have to be paid by the European Parliament, and therefore by the European taxpayer, for premises in Brussels, Strasbourg and Luxembourg. I should also like to ask you if you would consider the working conditions to be the best possible — and I am quoting you — if you were expected to perform your duties as a state secretary in Strasbourg while your administrative departments were in Luxembourg, just as you evidently expect parliamentarians to perform their duties in Strasbourg while the administration remains in Luxembourg.

**Mr Bernard-Reymond.** — (F) Allow me to point out that the expenditure to which I referred is investment expenditure, the exact term used in the question. I shall, therefore, only refer to investment problems in my reply. Moreover, you pointed out the inconvenience caused by having to make a large number of trips, and you referred to my own personal experience. Allow me to state that, as Secretary of State, my normal place of work is Paris, but I am also frequently required to travel to Strasbourg, Luxembourg and Brussels. I am therefore well placed to understand the difficulties which you may encounter. However, I wonder whether we should stress so much the travelling expenses which are charged to the Community. We are, in fact, certainly required to make many other trips outside of the three seats of the Community when we travel to various countries. I wonder whether the amount spent on travel between the three seats of the Community accounts for as much as you seem to suggest of the overall opera-

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tional and travel expenditure we are required to undertake in the interests of the Community.

**Mr Dalyell.** — Neither the entrancing beauty of this city nor the hospitality of the Mayor and its welcoming citizens is in doubt, as those of us who have been here for three years or more know. But you know, I will believe the Under-Secretary on the virtues of diversity of government and moving around when he persuades the Government of the French Republic to go back to times before Philip Augustus, I think it was, and have a sort of caravan travelling between various capitals, such as Paris, Rheims, Bordeaux, Nîmes, Avignon. When the French Government does that, I will then believe him on the virtues of the diversity of places of the European Parliament, but not before.

**President.** — Might I remind Mr Dalyell and others that this is Question Time and not a debate?

**Mr Dalyell.** — It is a very good question.

*(Laughter)*

**Mr Bernard-Reymond.** — *(F)* I shall try to give an equally good answer. This debate could be summarized in two points. First it is for the Member States to reach agreement on a seat for the Communities. Secondly, the Member States have so far been unable to reach agreement on a single seat. This is regrettable, and although it has some advantages the disadvantages outweigh the advantages. However I am sorry to say that, so far it has not been possible for the nine Member States to reach agreement on a single seat.

**Mr Sieglerschmidt.** — *(D)* I am grateful to you for returning to the subject after your reference to the pleasure Members can find in travelling, which introduced a flippant note into this discussion and to which I had intended to give an appropriate response. I should like to ask if you do not feel that the obstinacy demonstrated by the governments of the Member States in not fulfilling Article 216 constitutes in the long term an infringement of the Treaty.

**Mr Bernard-Reymond.** — *(F)* No.

**Mr Seefeld.** — *(D)* You have said that it has not yet been possible for the Member States to reach an agreement. I ask you as President-in-Office of the Council: what does the French Presidency intend to do to achieve such agreement during its term of office? What has it done in the past, and what does it intend to do in the remaining months to bring about an agreement before the direct elections?

**Mr Bernard-Reymond.** — *(F)* France has lots of goodwill, but it does not have the temerity to believe that it can in a few months solve a question which has been pending for decades.

**Mr Broeks.** — *(NL)* I am somewhat shocked to hear you say that it is good for us to meet in different places because we can then get to know the local population better. Does this mean that you believe there should be nine meeting places? For I believe we now know the people of France and Luxembourg sufficiently well. What would you say to our going to the Netherlands to get to know the Dutch people? I do not know if you know the Dutch people well, but it would certainly do you good to come to our country some time.

*(Laughter)*

**Mr Bernard-Reymond.** — *(F)* I would ask the honourable Member not to complicate the problem. I simply stressed that, although I realize that, on the whole, the situation involves many disadvantages, there are also several advantages. I was not suggesting that the advantages outweigh the disadvantages.

**Sir Brandon Rhys Williams.** — Would the President-in-Office realize that this problem is not getting easier to solve with the passage of time and that the expenditure of very large sums of money on putting up halls all over Europe is going to make it almost impossible to solve. Isn't the French Presidency a good opportunity for the French Government to seize the initiative, at least in this respect: recognizing that it is not really practical for a parliament of 410 Members to hold its plenary sessions in two different towns, couldn't the French Government and the Luxembourg Government come to an understanding between them as to which intends, in the long run, to press its claim, which will abdicate and on what terms?

*(Applause from certain quarters)*

**Mr Bernard-Reymond.** — *(F)* The honourable Member has just put forward a proposal which I have noted and which I will bring to the attention of those concerned, both in the Council and in the Member States to which he referred.

**President.** — Question No 43, by Mr Fellermaier:

By what right did the Council Secretariat forward to the Council the questions on the seat of the institutions that were addressed to the Foreign Ministers at Question Time during the February part-session, and will the Council give an assurance that in future it will not seek again to encroach on the fundamental right of Members of the European Parliament to ask questions?

**Mr Bernard-Reymond, President-in-Office of the Council.** — *(F)* When a question put to the Foreign Ministers meeting in political cooperation falls within the competence of the Council and when a question put to the Council falls within the terms of reference of political cooperation, the Presidency changes the addressee and informs the Secretariat of the European Parliament. This is done in the interests of Members

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of Parliament in order to enable the Presidency to give a substantive reply and not to be obliged merely to answer that the question does not fall within the terms of reference of the authority to whom it was addressed. In the case in point it was clear that the problem of the places of work of the institutions did not fall within the competence of the Foreign Ministers meeting in political cooperation but concerned Community legal texts governing competence on the Governments of the Member States. This is why the Presidency will not be able to reply to questions on this matter within the framework of political cooperation.

**President.** — Question No 44, by Mr Seefeld :

The issue of *Badische Neueste Nachrichten*, Karlsruhe, of 13 February 1979 contains the following statement on the activities of the Council of Ministers :

'Council meetings are still being held, but the French presidency has arranged very few of them in a deliberate bid to stifle, and thus avoid, major controversy.'

I would therefore ask the Council :

How many Council meetings are in fact planned by the French presidency, and how does this compare with the figures for the three previous presidencies ?

**Mr Bernard-Reymond, President-in-Office of the Council.** — (F) Although the Council is not in the habit of reacting to articles in the press, I can assure you that the number of Council meetings planned at present for the first half of 1979 simply corresponds to an estimate of the foreseeable workload of Community bodies. Furthermore, the number is practically the same as for the preceding Presidencies. It goes without saying that if the need were felt, the Presidency would not fail to convene additional Council meetings or reduce their number.

**Mr Seefeld.** — (D) As the newspaper to which I have referred is read on both sides of the French-German border, I attached the utmost importance to an answer from the French Presidency. May I take it that in your opinion this newspaper report is sheer fabrication and has no basis whatsoever in fact and that, like its predecessors, the French Presidency will endeavour to hold meetings of the Council as and when required.

**Mr Bernard-Reymond.** — (F) I would like to thank the honourable Member for putting this question, as it enables me to explain the matter precisely. Let me give you the statistics for the number of meetings organized recently. In the second half of 1977 the Belgian Presidency held 33 meetings. In the first half of 1978 the Danish Presidency held 32 meetings. During the second half of 1978 the German Presidency held 32 meetings. At the present time the French Presidency has scheduled 31 meetings for the

first half of 1979. These figures, I am sure will convince you that the French Presidency is willing capable and able to carry out its work.

**Mr Osborn.** — Are enough of these Council meetings being held ? There are many issues in fact to be dealt with, and apart from the challenge to the French Presidency, what does the President think ? There are many outstanding measures that still have to be resolved, and I would like a comment from this Presidency on whether the Council of Ministers are meeting sufficiently.

**Mr Bernard-Reymond.** — (F) Unfortunately convening a Council is not enough to solve a problem. I believe that it is better to deal with problems in the Council when there is some hope of finding a solution. A moment ago, in the preceding debate, the Council of Foreign Affairs Ministers was criticized for postponing problems from meeting to meeting or for forwarding them to COREPER. It is precisely because we wish to avoid such criticism — to which we are not indifferent — that we are putting before the Council only those problems which we feel have a good chance of being solved or which require mature consideration by the Council.

**President.** — In the absence of their authors, Questions No 45, 46, 47 and 48 will receive written answers (\*).

We now come to the questions addressed to the Foreign Ministers meeting in political cooperation.

Questions Nos 49, 50 and 51 are held over until the next part-session.

Question No 52, by Mr Fellermaier :

Are negotiations currently being conducted between the French and Luxembourg Governments on the seat of the European Parliament, as was stated in a newspaper report of 17 January 1979 that was not explicitly denied by the French President of the Council at the February part-session of the European Parliament ?

**Mr Bernard-Reymond, President-in-Office of the Foreign Ministers.** — (F) Mr Fellermaier will not be surprized if I state that, as I pointed out a moment ago, the question does not come within the framework of political cooperation, and I must therefore forego the pleasure of replying.

**Mr Fellermaier.** — (D) Would the President of the Council then ask the Foreign Ministers at their next meeting what practical means might be found to compensate Luxembourg if it should lose the race with Strasbourg and the latter, as the President of the French Republic contends, becomes the seat of Parliament ?

\* See Annex.

**Mr Bernard-Reymond.** — Since, as I pointed out a moment ago, I cannot deal with this question in the context of political cooperation, I am unable to answer Mr Fellermaier. I can only note the question and inform him that it will clearly receive the close attention it deserves.

**Mr Dalyell.** — We have had good-natured banter on the subject previously, but on the question of political cooperation, I speak as one who has never been a candidate for the directly elected Parliament, and simply wish our successors well. In all seriousness, can I ask the Minister whether he understands the amount of time and effort that the hard-working officials who are connected with both the Commission and the Parliament have to spend on thinking whether they should bring such-and-such a document from Luxembourg to Strasbourg, or what is needed in Brussels? Honestly, the sheer exhaustion of wondering about the logistics of the whole operation really are highly detrimental to any kind of serious result.

**Mr Bernard-Reymond.** — (*F*) I have listened attentively to the honourable Member's remarks. What I said a moment ago on similar questions applies to them as well. Consequently, I regret that I must reply that I cannot, within the framework of political cooperation, reply to any further questions on this topic.

**Mr Seefeld.** — (*D*) Just because the President of the Council says he will not answer such questions, he will surely not expect me not to ask a question. I will nevertheless put my question. Would you be prepared to have the Foreign Ministers meeting in political cooperation deliberate on whether the Mayor of this city was right in saying that the governments of the founding nations of the European Community decided after the signing of the Treaties of Rome that Strasbourg was the seat of the European Parliament? If so, can you ask the Foreign Ministers to make a public statement to this effect and say when and where this occurred? I am deliberately putting this question to the Foreign Ministers.

**Mr Bernard-Reymond.** — (*F*) For the reasons I gave a moment ago I shall not answer this question. I hope that Members will not regard it as a lack of courtesy on my part. I simply wish to point out that the President of the French Republic was not the only one to adopt a position regarding Strasbourg as the seat of Parliament and that, in particular, Chancellor Schmidt made an unequivocal statement, for which, personally, I wish to thank him.

**Mr Broeks.** — (*NL*) I must say that I am rather surprised by what the State Secretary has said. I do not believe this is simply a Community question. It is also a question that concerns the countries involved by themselves, and I believe that some countries — and not primarily as Member States of the Community —

would appreciate it if the seat provisionally remained in their capital or some other important place. I should like to take this opportunity to ask now long the governments intend to retain the provisional places of work and how long they plan to ignore Article 216. In my opinion there are above all two countries that refuse to apply Article 216. I still feel, therefore, that the State Secretary cannot get away with saying that in his present capacity he cannot answer this question.

**Mr Bernard-Reymond.** — (*F*) I wish to remind the honourable Member that this question concerns discussions which the Ministers may hold outside of the Council rather than within the framework of political cooperation. Therefore, I regard this position as legally sound and inassailable, and I shall not abandon it. I regret, Mr President, that I must state that I have shown what I regard as the necessary courtesy and have even gone beyond the legal rules which would normally have authorized and even required me to say nothing whatsoever in answer to this question. Therefore, since I am conscious that I am here representing the nine Member States and that it is my duty to respect the Treaty, I must refuse to answer any further questions which do not pertain to political cooperation. I regret having to adopt this position, but I would ask you to believe that I do so, not because I wish to be difficult or discourteous, but out of respect for the rules of the Treaty to which all of us, I am sure, are deeply committed.

**President.** — Mr President, there is a problem here, I think you stated that these questions should not be addressed to the Foreign Ministers meeting in political cooperation, but, after all, you told Mr Fellermaier earlier that it was a matter for the Council's Secretariat to decide whether a question would be submitted to the Council itself or to the Foreign Ministers meeting in political cooperation. I take it therefore that it was your own secretariat which delivered these questions to this particular source.

**Mr Bernard-Reymond.** — (*F*) Mr President, it is primarily for the President of Parliament to sort questions submitted to him by Members into 'Community' questions and 'political cooperation' questions. If this division is not carried out by Parliament, the Council may reserve the right to carry it out itself. With regard to precise questions on the seat or place of work of Parliament, we felt that both these questions should be answered under the heading of Community questions, and I feel that I did so at length a short time ago. I am convinced that all Members of Parliament have all the necessary procedural and substantive details on this problem for now and for the future. We did not, therefore, think it was necessary to deal with seven or eight supplementary questions, all dealing with the same topic, after this question had been dealt

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with two or three times at a preceding part-session and would be dealt with a further two or three times in the context of questions put to the Community.

**President.** — Question No 53, by Mr Dankert, for whom Mr Broeks is deputizing :

How do the Foreign Ministers justify the inability of the Governments of the Member States to determine the seat of the institutions in accordance with the provisions of Article 216 of the EEC Treaty?

**Mr Broeks.** — (NL) Mr President, it is now becoming extremely difficult. We do not want to be unkind to the State Secretary, either; that is one of the last things we want. And I admit that initially he answered in very friendly manner, even though we did not agree with him.

I hope that he will understand that we parliamentarians must carry on until we obtain the right that is ours under Article 216. The State Secretary now has the feeling that we are really being a little unfair in standing on our rights. But that is not the case. We simply want to know what our rights are at this moment and what it is that is holding up these rights. And he should not therefore be impatient with us, because we are only doing our duty.

I also feel that he for his part should not be so formal, and that he cannot simply wave us aside by saying that these questions are wrongly addressed. I would point out to him that our President and our Bureau felt that these questions had been addressed to the right quarter.

If it is true that the Foreign Ministers do not want to answer such questions, then the time has come for our President and the President of the Conference of Foreign Ministers to discuss the matter. I do not know if we will get anywhere with this State Secretary. Perhaps we will somewhere with the Foreign Ministers, because we know what answer we get when we deal with this State Secretary. But perhaps his colleague, the Foreign Minister, will be somewhat more friendly in this matter than the State Secretary is able to be at the moment, apparently for legal reasons.

**Mr Bernard-Reymond,** *President-in-Office of the Foreign Ministers.* — (F) Mr Broeks, there is no question either of personal sympathy or antipathy in this matter. I am happy to listen to your question and answer it within the framework of the Treaties. I can assure you that, since it is a legal matter, there is no difference of interpretation between me and the Foreign Ministers who, if they were here, would give exactly the same answer. I can, however, state that I am fully aware both of the problems and of the impatience which Members feel in their regard. I repeat that I shall bring this to the attention both of the French Foreign Minister who is the President-in-Office and to the Foreign Ministers of the Nine.

**President.** — Question No 54, by Mr Seefeld :

How do the Foreign Ministers justify postponement of a decision on the seat of Community institutions and the ensuing waste of public funds?

**Mr Seefeld.** — (D) I can only assume that the President of the Council does not wish to answer the question. I should like to thank him for answering as best he could. He was obviously unable to go any further. I realize this. But now let us not lose our tempers. I will not ask you any further questions.

**Mr Dalyell.** — The Secretary of State's manners are not at issue. He has been perfectly friendly in his attitude. But look, it is not that you were impatient, it is the fact that we are beginning yet again on an election campaign, and there are a great many people whom it is difficult to persuade that we are anything other than mad and feeble in not having been able, after all these long years, to arrange for Parliament to meet in one place. It is not we who are impatient, it is the people who, as they see it, have to carry the costs of all this. People are becoming very impatient with the politicians for not arriving at what seems a fairly simple, rational decision. That is where the impatience lies.

**Mr Bernard-Reymond,** *President-in-Office of the Foreign Ministers.* — (F) The honourable Member may inform his electorate that it is the governments which have not been able to reach agreement. The governments are prepared to brave public indignation on this matter.

**Sir Brandon Rhys Williams.** — Is the Minister aware that we realize he is doing his best in a difficult situation? Does he also recognize from this Question Time the strength of feeling that there is in the Parliament on this issue? Would he also reflect, in the discussions which have to take place now on this issue, that one of the most important decisions facing the Community is to find a suitable seat for the European Monetary Fund, and that, as Pierre Werner has pointed out, Luxembourg, being the least political of the capitals of the Nine, is probably the most suitable as a financial and monetary headquarters? Will the President-in-Office of the Council please bear in mind that this is one of the factors that should be taken into the reckoning?

**Mr Bernard-Reymond.** — (F) So far this matter has not been raised among the Nine.

**Mr Fellermaier.** — (D) Since he has been so kind as to point out that not only the President of the French Republic but also the German Federal Chancellor is in favour of Strasbourg as the seat of the European Parliament, would the President-in-Office of the Council be prepared to inform the House of the views of other Heads of Government in the European Community on this question? If he is unable to do so today, is he prepared to ask the other governments so

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that this interesting information may be imparted at the next part-session of the European Parliament?

**Mr Bernard-Reymond.** — (*F*) On this topic it is not for me to be spokesman of the nine Member States who are clearly free to make whatever statements they see fit.

**President.** — Question No 55, by Mr Patijn, for whom Mr Albers is deputizing:

Do the Foreign Ministers agree that it has hitherto been normal practice in all nine Member States for the parliament and government departments to be located in the same city?

**Mr Bernard-Reymond, President-in-Office of the Foreign Ministers.** — (*F*) Since the question concerns the seat of the Community Institutions it does not fall under the heading of political cooperation.

**Mr Albers.** — (*NL*) Mr President, this is all too much for me. This question does not concern the of Parliament. It concerns the practice in the Member States. It asks the Ministers if they think it normal for a parliament to be where the government is located. And I should like to add a question to this: Has the idea of moving a national parliament never been mooted? In France, for example, it would be very useful to get to know the regions and their inhabitants — Brittany and Rennes, for example — and to take the National Assembly to Rennes to do so.

(*Laughter*)

**Mr Bernard-Reymond.** — (*F*) I repeat that the question does not concern political cooperation. However, out of politeness to the Member I shall state, as French Secretary of State, that European construction is a new organization which does not correspond to existing state or inter-state models. It is not, therefore, abnormal that the customs adopted by the States do not yet apply to the Community whose plurality of places of work, on the contrary respects and illustrates the diversity of national characters. I feel that its principal merit is, as I stated a moment ago, to make people more aware of the reality of Europe, although I would again state that I do not regard this as a cogent or definitive argument for maintaining as long as possible three seats of the Community in Europe. For its part France is particularly happy to act as host to the European Parliament in Strasbourg.

**Mr Dalyell.** — If the governments of the Nine were really serious about wanting the directly elected European Parliament to do its job properly, no one would have any second thoughts about locating it in Brussels. Is that not the truth of the matter?

**Mr Bernard-Reymond.** — (*F*) This once again is a question about political cooperation. I have tried to avoid this matter but I note that there is a certain

obstinacy on the part of Members to bring me back to questions on political cooperation. I am therefore, obliged to be equally obstinate in refusing to answer such a question.

**Mr Broeks.** — (*NL*) Mr President, I hope that I will be somewhat luckier, because the State Secretary has said France would be particularly happy if Parliament moved to Strasbourg. But does this mean that France feels that not only Parliament but also the Commission and the Council should come to Strasbourg? This would of course remove many of our difficulties. Does the State Secretary intend to set his sights on that?

**Mr Bernard-Reymond.** — (*F*) I already replied a moment ago that if such a request were made, I am sure that France would yield to the friendly pressure. (*Laughter*)

**President.** — Question No 56, by Mr Schmidt:

Will the Foreign Ministers be informed, either formally or informally, by the governments concerned if any agreements are reached on accommodation for the directly elected Parliament in various venues for part-sessions in the Community in consequence of new premises that are currently under construction?

**Mr Bernard-Reymond, President-in-Office of the Foreign-Ministers.** — (*F*) Since the question concerns the seat of the Community Institutions, it does not pertain to political cooperation.

**Mr Dalyell.** — We all know what happens — or doesn't happen — when an irresistible force meets an immovable object. But for all the banter and good humour — and I welcome that — the situation is very serious, because it does look as if the governments want to emasculate the Parliament at its very birth in a most effective way. There is nothing that could more weaken the European Parliament when it is directly elected than the sheer exhausting process of sending its Members buzzing round the face of the Community drained of energy by travel. This is a very serious political decision — a power decision — and it involves far more than form and etiquette and national prestige.

I suppose that is my last bite at the cherry.

**Mr Bernard-Reymond.** — (*F*) Just as, a moment ago, I met obstinacy by obstinacy, I shall reply to last effort by another last effort, and state that one should not confuse respect for the Treaties with the emasculation of a Community organ.

**President.** — In the absence of its author, Question No 57 will receive a written answer.\*

The third part of Question Time is closed.

\* See Annex.



10. *Agenda*

**President.** — Mr Willi Müller has asked that his oral questions on the health hazards of asbestos (doc. 652/78) and on health protection (Doc. 658/78), which are on Friday's agenda, be held over until the April part-session.

Are there any objections?

That is agreed.

11. *Participation by Community Heads of State in international summit meetings*

**President.** — The next item comprises the oral questions with debate by Mr Granelli and others to the Commission (Doc. 650/78) and the Foreign Ministers meeting in political cooperation (Doc. 651/78):

Subject: Participation by Community Heads of State in international summit meetings

The increasingly frequent and official organization of international summit meetings on varying scales but always at the highest level, sometimes convened by certain Heads of States of the European Community and not attended by representatives of all the other Member States, is weakening the political cohesion of the Community and undermining the action taken to develop the Community's external relations in the context of political cooperation between the Foreign Ministers and also at the level of the Community Institutions.

We therefore ask:

- (1) What action is it proposed to take to promote prior consultations on matters of joint interest when a summit conference is convened by decision of the Head of a Member State of the Community, and to ensure, in the context of political cooperation and to the fullest possible extent, that an authoritative position can be put forward on such matters, on behalf of the EEC, in all other international forums?
- (2) What action is considered opportune to develop, through an autonomous decision of the EEC, a permanent dialogue between the Community and all other states on matters of general interest with a view to contributing through the action of the existing institutional bodies, to a favourable solution to outstanding problems?

I call Mr Fioret.

**Mr Fioret.** — (I) Mr President, many of the obstacles encountered in the building of Europe are psychological rather than real and it is quite obvious that the misunderstandings are generated by the behaviour of certain States who are still trying to hold on to the supremacy of a past which has gone forever or who attribute their economic prosperity to ability alone when, in fact, they are simply quicker than others to grasp the opportunities offered by a wider market.

Europe is an organic whole and it is time the individual States realized that if some of them are ailing, this will inevitably have negative repercussions on all.

Greater political unity is therefore essential for the Community if it is to increase its self-confidence and exercise its own special influence in international relations.

Summit meetings such as the Guadeloupe summit or summits of the industrialized countries which exclude some of the Community partners, not only weaken the Community's life force but at a time when the traditional bipolarism of the big powers is being replaced by polycentrism following the appearance on the world scene of China and the Third World countries, they are even proving counter-productive since their effect is to undermine Europe's political influence and its credibility as a Community in solving international problems. Furthermore, if the political cooperation which began with the Copenhagen report of 23 July 1973 is to be kept alive, greater solidarity between the governments must be promoted through more frequent meetings and exchanges of views on all international problems of common interest, so that there will always be consultation before decisions involving the Member States are adopted.

It would be a lie to say that the spirit of Copenhagen has been respected by those who promoted or took part in the recent summit meetings.

The truth is that up to now a pragmatic approach has been adopted to suit the convenience of certain States, no effort has been made to set worthy standards of behaviour for all and the resulting discrimination has harmed the Community's external image and its strength as a unified body.

The European Community participates in most international economic organizations, sits, albeit as an observer, in the General Assembly of the United Nations and appoints representatives from non-member countries to its own bodies; the Commission appoints delegations and holds regular consultations with the principal industrialized countries such as the United States, Japan, Canada, Australia and New Zealand. I ask you, what is the point of all this when some of the Community's Heads of Government negotiate separately on the basis of traditional relationships, with the primary aim of protecting national interests and no thought whatever for the needs of the people of Europe as a whole?

On the eve of the direct elections to the European Parliament we are still deluding ourselves that the Community of the Nine is a practical and effective reality aimed at building a Europe of citizens with equal dignity rather than a Europe of strong States serving only to dispose of agricultural surpluses or find better outlets for industrialized products in a wider market.

**Fioret**

Unfortunately, it must be said that up to now, not only has there been a failure to provide adequate guarantees that the commitment to political cooperation pledged by all the Member States will be more fully observed, but there has not even been any evidence of the will to promote consultations aimed at formulating a uniform Community foreign policy.

I hope that this evening the President of the Council will be able to give us more convincing answers than the official ones which have already appeared in the international press.

**President.** — I call Mr Bernard-Reymond.

**Mr Bernard-Reymond, President-in-Office of the Foreign Ministers.** — (F) Mr President, as the honourable Member has pointed out the Copenhagen report of 23 July 1973 defined the goals of political cooperation as follows: to ensure, by means of regular consultation and exchanges of information, improved mutual understanding as regards the main problem of international relations; to strengthen solidarity between governments by promoting the harmonization of their views and the alignment of their positions and, wherever it appears possible and desirable, joint action. Because they remain committed to these goals the Nine are constantly endeavouring to improve consultation both within Community bodies and within the framework of political cooperation.

At the same time the Community carries on, with third countries, a permanent dialogue which covers both problems of general interest and specific problems which may arise in the context of bilateral relations. This dialogue is conducted through a number of channels, in particular, through the intermediary of accredited missions which almost all third countries maintain in the Community. In the case of the Commission it is conducted through the delegations which it has opened and the regular contacts which it maintains with a number of third countries as well as through the dialogues which take place under the numerous regional or bilateral agreements which the Community has concluded with third countries, of the Lomé Convention, agreements with countries of the Mediterranean Basin, with the EFTA countries and with Latin American and Asian countries.

In addition organic dialogues have been initiated with the member states of the Arab League (Euro-Arab dialogue) — with Latin America (at ambassadorial level) and with ASEAN (at ambassadorial and ministerial level). Finally, the Commission holds regular consultations with the Community's chief industrial partners, in particular the United States, Japan, Canada, Australia and New Zealand.

The Community is also represented in several international economic organizations: OECD, GATT, World Bank Group bodies and the organizations of the

United Nations family. The Community also has observer status in the United Nations General Assembly. In the framework of its multilateral relations it conducts dialogues with other members of these organizations on all questions falling within its terms of reference and on which it feels it is necessary to put forward its view. The Community, therefore is clearly conducting a wide-ranging and diversified dialogue with third countries which includes the numerous relations between Parliament and parliamentary bodies in certain countries.

**President.** — I call Mr Ortoli.

**Mr Ortoli, Vice-President of the Commission.** — (F) Mr President, a shorter, though somewhat more limited, question has been put to the Commission. I said more limited since it does not concern political cooperation and Council activities.

Mr Bernard-Reymond indicated some of the conditions under which the Community — and, within the Community, the Commission. — is required to take part in international cooperation.

The only point which directly concerns the Community is what are referred to as 'summits' of industrialized countries. I should like to point out that, in presenting the Commission programme on 13 February, the President of the Commission stressed the important role that the Community has played and will continue to play in these Western economic 'summits'. I believe that these summits have become, and will continue to be, an important factor in international life, and that they are already beginning to make a major contribution to the management of the world economy. The Community's interests in these meetings, where the problems discussed concern it, is shown by the presence of the President of the European Council and the President of the Commission.

I can assure Parliament that these meetings are prepared and coordinated in advance with all the care required to ensure that the Community's views are properly presented. I have every reason to believe that these arrangements will continue. As the President-in-Office already pointed out in his reply, I believe that the current procedures ensure that the preparations for the meetings are effective and thorough, and that the items directly concerning our relations with third countries are dealt with adequately. Let me again state that I am not dealing with problems relating to political cooperation.

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

**Mr Mascagni** — (I) Mr President, honourable Members, credit must be given to our Italian Christian-Democrat colleagues for submitting the question with debate on participation by Community Heads of State in international summit meetings.

**Mascagni**

My one query is why, having taken this praiseworthy initiative, the Christian-Democratic Group submitted the question on behalf of the Italian Christian-Democrats only. I mention this without any ulterior motive.

The organization of top level international meetings to replace Community conferences has now become standard practice, and is regarded far too casually. Indeed, one might well wonder whether the convenient façade of initiatives which are made to appear practical and realistic does not in fact hide recognition of different categories of State, some being first-class, others second, third, fourth and so on, since there is such glaring inconsistency between the fine words about equality between equals and the failure, in practice, to comply with this basic principle. These political summit meetings are a throwback to the old system of closed diplomacy which we had every reason to consider obsolete and indeed condemned by history. They jeopardize the slow, painful process of dismantling the old hierarchies and intolerable ascendancies which owed their existence to economic power and strength and, I would even say, arrogance. These summits create the illusion that they offer shortcuts and a simple, quicker way of solving the Community's problems. This is of course an illusion because, in fact, sooner or later, reaction comes in various forms from the other States who are partners in the process of cooperation through their leaders and public opinion.

In view of all this, Mr President, I must say that we are surprised and indeed somewhat annoyed at the reply given by the President of the Council who, with a peculiar kind of logic which is not even worthy of comment, has pointed to the terms of the 1973 Copenhagen report regarding the general commitment on information, consultation and cooperation concerning international political problems as an illustration of solidarity between the governments.

However, the Council has not, as it ought to have done, stated its firm intention to abide by that commitment.

It has simply said that the States are endeavouring — mark 'endeavouring' — to develop cooperation at the level of the Community Institutions.

Any further comment is superfluous. All that remains to be said in conclusion is to express the hope that, where my own country is concerned, the Italian Government will speak out clearly, as my Italian Christian-Democrat colleagues have done, and that, in general, all the governments which have been victims of discrimination will show determination and resolution in demanding equal respect, equal responsibility and equal opportunity to make their political contribution from those governments who are trying to set themselves up as having greater superiority and hierarchical precedence.

**President.** — I call Mr Pisoni.

**Mr Pisoni** — *(I)* Mr President, it seemed quite clear to me that the President of the Council was evading the question. It is true that he did refer to cooperation, information and the common path of all the States, but he obviously had not grasped the meaning of the question itself which — as has been pointed out by Mr Fioret and Mr Mascagni — concerns certain decisions involving discrimination. If we are really equal and we wish to build something in which we all have a part, it is important that decisions should not be taken by one State or another, or by two partners alone, and then communicated to — or, in some cases, imposed on! — the others, as has happened in the past. The Commission has been far too tolerant of such behaviour and has not been sufficiently insistent in asserting its role as the Community's representative in the various forums where Community affairs and developments are discussed. As Mr Ortoli has said, it is true that the Commission has been present in the various forums, but it has not taken the lead as a unifying, representative force which would give each of the Nine Community States equal importance and influence. This is what we want: if we wish to build a harmonious structure, then we must build it together and refuse to allow any one State to prepare the ground or impose its ideas on the others. In other words, there must be an end to meetings in Guadeloupe or anywhere else where the future of the others is decided by a few and those concerned are informed after the event.

That is not the way to a united Europe. Let us hope that in future the various governments will choose the right way and that the Commission will assume its proper role and refuse to accept discrimination.

**President.** — I call Mr Ortoli.

**Mr Ortoli**, *Vice-President of the Commission.* — *(F)* Mr President, let there be no misunderstanding. When the Community is concerned the Community is present, and among the most important events which concern the Community are the summits of industrialized countries, i.e. those meetings which deal effectively with matters of potential interest to us.

The last example shows precisely the range and extent of Community participation: the Bonn summit which followed that of Bremen. The positions adopted on matters of concern to the Community were debated and approved at the Bremen summit. I should like to point out that the monetary system was not dealt with at the Bonn summit, but concerted action was at the very heart of that summit. I know all about it: the Ministers of Finance met four times to prepare it and I made about twenty trips to the different capitals. Therefore, don't tell me that the Commission did not participate, that it was absent from it or that it had no part in what took place! The decisions taken by each

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of the nine Member States were taken in a Community context *before* the Bonn summit and under circumstances which were such that the Commission played its full legal role and did more than its share of the work!

**President.** — I call Mr Fioret.

**Mr Fioret** — (I) It seems to me that there has been confusion here this evening between political and formal, institutional aspects. I would ask Mr Ortoli to answer the specific question which I put to him.

The decision to adopt the EMS for our peoples was taken in Guadeloupe. This is the reality of the situation. If we are not sufficiently sensitive to grasp political implications during the building of Europe, and instead choose to hide behind formalities, then I am afraid we are not laying the foundations for a Europe of equals.

**Mr Ortoli, Vice-President of the Commission** — (F) A clear question deserves a clear answer: the European Monetary System was decided on in Brussels on 5 December in a communiqué sufficiently long to make its subject clear; it was certainly not decided in Guadeloupe, where, as far as I am aware, the outstanding problems were not resolved. These problems were resolved a fortnight ago under a procedure in which the Commission has done more than just play its part, since it was on the basis of a *Commission* proposal that they were settled! What more do you want me to say?

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

## 12. *Transposing the rules of the CAP to industrial policy*

**President.** — The next item is the oral question (Doc. 589/78), with debate, by Mr Ansquer, on behalf of the Group of European Progressive Democrats, to the Council:

Subject: Transposing the rules of the common agricultural policy to industrial policy: a directive laying down industrial guidelines.

The Community's many setbacks in the industrial sector and the few *ad hoc* measures undertaken by the Community have shown the need for a genuine Community industrial policy.

Taking as its model the common agricultural policy, which has enabled farmers to be integrated in the modern world, does the Council propose to investigate the idea of transposing the rules of the common agricultural policy (a single market, Community preference, financial solidarity) to industrial policy?

Could not such an investigation culminate in a directive laying down industrial guidelines enabling Europe to become competitive, to adjust to the international market, develop its advanced-technology industries and establish really competitive industrial groups?

I call Mr Ansquer.

**Mr Ansquer.** — (F) Mr President, I am sorry that my question has come so late on the agenda which means we cannot have a very long debate. Mr Bernard-Reymond, to avoid any controversy, my question could certainly have been phrased differently, as follows: is it possible to transpose the rules of the common agricultural policy to industrial policy, and should Europe have a common industrial policy?

Among the criticisms often made of the Community I have frequently heard the following: the Community has no common policy apart from the agricultural policy. The Members of this Parliament themselves very often call for the implementation of new common policies on energy, transport, health, space research, etc.

As you know, we find ourselves in a somewhat paradoxical situation. The Treaties define the principles of an economic policy based on a market economy and depending to a large extent on industrial development. One might be forgiven for assuming, therefore, that there was such a thing as an industrial policy, if not in reality, at least in the texts.

Unfortunately, this is simply not the case. Yet today a European industrial policy seems to be becoming more and more necessary for various reasons. Firstly, the role Europe is able to play both for itself and for the world depends very largely on its industrial power. Secondly, the maintenance and creation of jobs depends on the existence of dynamic and competitive industrial undertakings. Thirdly, industry contributes a lot of added value to these manufactures, which is of benefit to the Member States and to the Community.

An industrial policy is also one of the keys to economic growth and a factor of regional planning. Lastly, the convergence of economic policies is undoubtedly a precondition of economic and monetary union.

I could even add that other common policies would be easier to implement, both the horizontal policies such as energy and transport policies, or sectoral policies such as iron and steel policy, textiles policy or shipbuilding policy. These would fit quite naturally into a global industrial policy. To use a more political expression, I might say that a common industrial policy would, in my view, be a grand design, capable of welding Community together, and involving both public and private undertakings, both the large groups and the small and medium-sized undertakings.

If I come back again to the agricultural policy, it is because it has achieved its objectives, which are valid objectives — to increase agricultural productivity, ensure a fair standard of living for farmers, guarantee security of supplies and achieve many other things you are working for. Without the CAP many family farms would have disappeared. It seems necessary,

## Ansquer

therefore, to define certain objectives and to put into effect appropriate measures for attaining them.

Can we do this? Obviously, this question comes at the end, so to say, of the life of this Parliament, and it will no doubt devolve on the future Parliament to give thought to a common industrial policy. All the same, I feel that the Council and the Commission should already be giving thought to this future industrial policy, which in my view and in the view of the experts should be based on market unity and respect for the rules on competition as well as on the coordination of structural policy and the integration of infrastructures and the public systems. One objective should be to promote research, to create a climate favourable to innovation, and a climate favourable to investment. In the sectors at risk common measures should be taken to combat the crisis as is already being done, I know, in certain sectors including measures for the redevelopment of undertakings and the redeployment of the workers from industries in decline. In heavily industrialized areas the common industrial policy should certainly make it possible to avoid large mergers and to eliminate environmental nuisances. Lastly, in the regions at risk, the Community should pursue an active policy of siting new industries in such a way as to combat unemployment and stop the drift from these areas.

I would add to these few remarks — which are actually questions, too — the observation that such a policy will require the will no less than the means. It is not a matter of establishing a *dirigiste* system or a planned economy or of reverting to protectionism, but of strengthening Community solidarity by an industrial policy at the European level.

**President.** — I call Mr Bernard-Reymond.

**Mr Bernard-Reymond, *President-in-Office of the Council.*** — (F) Mr President, the Council understands the concern expressed by Mr Ansquer and his group and, like him, it wants Europe to become competitive, to adjust to the international market and develop its advanced-technology industries, but it does not entirely agree with his analysis regarding the lack of a common policy for industry.

The rules to be applied to industry in the Community are laid down in the Treaty and are being applied at least partially. I would point out that there does exist a Community market within which there are no quantitative barriers to trade, nor customs duties to be paid at internal borders. Industrial products move freely in the Community, even more freely than agricultural products, which are still too often restricted for reasons relating to public health, plant disease and other things. This single market is based, too, on common rules concerning competition and State intervention as affecting the freedom to provide services and the freedom of establishment, on the harmoniza-

tion of provisions governing company law and public contracts, and on the abolition of technical barriers to trade, a field in which a special effort has been made to allow a large number of products to move freely throughout the Community without coming up against conflicting rules. This single market is based therefore on a vast collection of rules which provide a common environment for industrial activity in the Community.

Of course, we are not saying the system is perfect yet, and there is still a great deal to be done before we reach the stage of a single market in the true sense of the term; indeed the obstacles are becoming more and more intractable the further we advance. As to whether the term single market is more appropriately applied to the agricultural market than to the industrial market, I leave it to you, Mr Ansquer, to decide.

Community preference exists, too, at the industrial level with the customs union as expressed in the common customs tariff. Some may feel that the protection offered is inadequate and needs reinforcing. But everyone knows, too, what little joy we would get from a protectionist policy. This is why the Community remains firmly opposed to it.

As for financial solidarity, naturally this operates in a different way in the field of agriculture, if only because the basic situation is different. Nonetheless, this solidarity has always been, and is increasingly, evident in the industrial field. Without dwelling on this aspect I should like to mention the investments by the European Investment Bank, action by the European Social Fund, aid from the European Regional Development Fund, ECSC retraining loans and, most recently, the creation at Community level of a major borrowing and lending instrument to promote investment. Therefore the framework within which industrial activity must evolve is already firmly in place.

The main need at the moment is to continue to strengthen and consolidate the unity of the common market and the customs union by removing protectionist temptations despite the persistence of the crisis which continues to plague so many industrial undertakings and to affect adversely many sectors of the economy. Obviously, the Community cannot remain inactive in the face of the crisis. But what would be achieved by a directive laying down industrial guidelines which Mr Ansquer believes should be the end-product of the Council's investigations? Does anyone suppose that such a directive by itself could enable Europe's industry to become competitive, to adjust to the international market, to develop its advanced-technology industries and bring about the reorganization required? It is undoubtedly true that the national and Community authorities help to establish the right conditions for the undertakings to operate in. But it is equally true that most decisions and actions are the responsibility of the undertakings themselves.

**Bernard-Reymond**

However, I would not wish to conclude without saying, briefly, that the Community is still as concerned as ever — as we know from the work of the European Council — to re-establish appropriate conditions for economic growth and that it has tried in certain sectors to develop policies which will make it possible to adjust to the changed conditions of international competition. I can cite, for instance, without going into more detail, the iron and steel sector with the anti-crisis plan and the current restructuring plan, and also the textile sector, with the various agreements and arrangements with the main supplier countries, which are expected to help stabilize the Community market.

In conclusion, the Council does not believe that the difficulties facing the Community's industry at present could be overcome simply by transporting the agricultural policy formula to this sector. It does, however, share the concern expressed by Mr Ansquer's question regarding the industrial situation in the Community and its effect on living standards and employment.

**President.** — I call Mr Nolan.

**Mr Nolan.** — Mr President, I would like to support fully my colleague from the European Progressive Democrats on his idea of having some sort of policy or guidelines in connection with industry similar to the common agricultural policy. Today and yesterday we heard quite a lot about the CAP and the development of agriculture. We voted on it this evening. Now one thing rather surprised me during the debate as far as agriculture is concerned, I am a believer in not talking about farmers. I always refer to the agricultural industry, because quite a lot of our industry in the nine Member States and a lot of employment in industry comes from the raw material of agriculture. Mr Hughes when he was speaking yesterday did mention — possibly he had a reason for it — that we could buy sugar on the world market much cheaper than we can produce it from sugar beet. But where do you stop? We can buy textiles from Hong Kong or Taiwan, we can buy motor-cars from other countries much cheaper than we can produce them here in the nine Member States. But in my country, as you are aware, Mr President, the sugar-beet industry employs a large number of people, if you take into account the fertilizers the growing of the beet on the farm, its delivery to the factories and its processing into sugar. So I sincerely hope that the day will never come when the Community decides that it will stop growing sugar beet, particularly, as I have said, because of the amount of employment it provides.

During this week, I was very disappointed that this House failed to agree to the request from the Council for urgent debate on the draft regulations concerning interest rebates on certain loans. The failure of the House to agree to the Council's request means that poorer countries like Italy and Ireland will now not be

able to get loans under the new EMS, or at least subsidies for this purpose. What surprised me most of all was the fact that the two largest groups — the Socialist Group and the Christian-Democrats — voted against this regulation. I personally do not know why, but it means now that the poorer regions of the Nine will have to wait until after the next part-session of Parliament for the implementation of this regulation.

With that, as I said, at a late hour, I just want fully to support my colleague. I think we spend an awful lot of time here — and rightly so because of the importance of agriculture — debating this matter and we are inclined to forget industry. And I mean industry in all its meanings — industry associated with agriculture, the textile industry, the footwear industry, the motor industry and every other kind of industry.

**President.** — I call Mr Christensen.

**Mr Christensen.** — (DK) Mr President, I am bound to say that I am somewhat disappointed by the President-in-Office's answer to Mr Ansquer's question. While Article 39 (b) of the EEC Treaty stipulates that the agricultural community should be guaranteed a certain minimum income or a certain standard of living, there is no corresponding provision for industry, i.e. as far as I can see, there is no provision in the Rome Treaty for extending agricultural policy principles to other areas, i.e. to industry.

I seem to remember that a question similar to Mr Ansquer's was raised in Parliament last year. On that occasion, as I remember, Mr Davignon replied on behalf of the Commission — and Mr Davignon is known for his protectionist sympathies — firmly rejecting the idea that the principles of the agricultural policy should be extended to industry. EEC industrial policy is — or at least should be — characterized by free trade or free enterprise without any competition-distorting subsidies whatever, be they national subsidies or support systems provided by EEC bodies.

In view of the unfortunate results so far of the common agricultural policy which today's and yesterday's debate on agricultural policy have highlighted, I believe that many will admit that the principles on which the agricultural policy is founded are scarcely an example to be followed. We have come to realize that, although a common agricultural policy has been in operation in the EEC for many years, incomes in the agricultural sector still lag behind those of other sectors of the population, and there is a great difference in agricultural incomes in the EEC. I will therefore ask the President-in-Office of the Council whether he does not feel that it would be inappropriate and incorrect to extend agricultural policy principles to industry and that there is no basis in the Treaty for founding the European Community's industrial policy on free trade and free enterprise even vis-à-vis third countries.

**President.** — I call Mr Bernard-Reymond.

**Mr Bernard-Reymond, President-in-Office of the Council.** — (F) Mr President, I know this House held a long debate yesterday on the agricultural problems, and I believe the principal conclusion was that, while the gains of the common agricultural policy were considerable, nonetheless, at the present juncture it called for a certain amount of criticism. I wonder whether we should not resist the temptation to transpose to a sector which is structurally different — industry — the rules which have proved their worth in the agricultural sector but which are today in fact the object of such criticism. We have here two sectors which, as I say, are structurally very different. We should not expect the application of the mechanisms of the common agricultural policy to provide a miraculous solution for other sectors. All the same, many similarities do already exist. Take the customs union — is this not what we are aiming at with the single market, when we insist on the harmonization of the rules on competition? When we apply the common customs tariff, are we not applying the principle of Community preference, adapted to the industrial sector? When we speak of financial solidarity, has this not already been achieved to some extent through the Social Fund, the Regional Fund, the loans by the European Investment Bank? I think therefore that we should avoid any approach which although admitting that there is an essential difference between these two policies, nevertheless assumes that we must transpose to the industrial policy item by item, mechanism by mechanism, everything that is being done in the common agricultural policy.

I should also like to say that you cannot claim that Community industrial policy is without objectives. In this field, and above all at this time of crisis, the Community is proving that it does have a design for industry and that this design is viewed in terms of concrete objectives. The Community has not remained indifferent to the critical situation in certain industrial sectors: one thinks, of course, of iron and steel, but also of shipbuilding, textiles, footwear. Substantial financial aid has been granted for restructuring and retraining programmes. Nor is the Community concerned solely with sectors in crisis; it does not regard itself as a clinic for sick sectors. It is also encouraging cooperation in advanced-technology sectors, in particular, data-processing and aeronautics. In other words, through a policy which is still liberal and which will remain liberal, through a policy which

will not be allowed to sink into protectionism — on the pretext that the crisis is already at our gates, already affecting everything we do — the Community is proving that in shaping and coordinating this policy it intends to work through and with the industrial undertakings themselves. This is the spirit in which the nine Member States mean to pursue their industrial development, so that, while rejecting protectionism which could only aggravate the economic crisis, taking account of the need to export which must be constantly borne in mind, and rejecting a type of liberalism that would exclude any form of coordination, incentive or assistance, the Community has, I believe, found the best middle way. But, once again, I am sure that the components and tools of the common agricultural policy do not offer the best way of keeping this industrial policy on this middle course. This is why the Council — while wishing to point out that there are similarities between the industrial policy and the tools of the common agricultural policy — does not intend to go any further in transposing these rules and therefore hopes that the guidelines of the present industrial policy will continue to be applied and extended.

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

### 13. Agenda for the next sitting

**President.** — The next sitting will be held tomorrow, Friday, 16 March 1979, at 9 a.m., with the following agenda:

- Procedure without report;
- Bangemann report on budgetary guidelines for 1980;
- Motion for a resolution on Article 203 of the Treaty;
- Noè report on thermonuclear fusion;
- Oral question, with debate, to the Commission, on confiscation of political material;
- Lamberts report on domestic appliances;
- Oral question, without debate, to the Commission, on nuclear power-stations;
- Lezzi report on food-aid management;
- Fletcher-Cooke report on hijacking;
- Motion for a resolution on human rights in Iran;
- Albers report on the safety of containers (without debate);

*End of sitting: voting time.*

The sitting is closed.

*(The sitting was closed at 9 p.m.)*

## ANNEX

**Questions which could not be answered during Question Time, with written answers***Question No 36, by M Kai Nyborg*

*Subject* : National safeguard provisions

What action does the Council envisage taking in view of the many instances where national safeguard provisions conflict with Articles 85-94 of the Treaty of Rome? Will it instruct the Commission to intensify its efforts to remove such safeguard provisions?

*Answer*

It is the Commission which has the responsibility for ensuring that the provisions of the Treaty as regards the rules governing competition and the regulations adopted in pursuance of the Treaty are implemented. It has the requisite powers to ensure that this is done.

The Council has no doubt that, even in this difficult period for the European economy, the Commission will continue to ensure that these fundamental rules for market integration are applied in a manner which best reflects the common interest.

\* \* \*

*Question No 38, by Mr Howell*

*Subject* : MCA's

Will the Council state what the present difficulties are in reaching agreement on a scheme for the elimination of MCA's, and when it expects to reach some agreement?

*Answer*

At its meeting on 5 and 6 March 1979, the Council managed to overcome the difficulties which were still standing in the way of the implementation of the European Monetary System.

As regards more particularly monetary compensatory amounts, the consensus reached by the Council lays down the approach to be followed in dismantling the existing monetary compensatory amounts. It also recognizes the advisability of implementing the conclusions which the Council will draw from the report expected from the Commission regarding the calculation of monetary compensatory amounts for certain products and in particular pigmeat. There is also agreement in principle on the introduction of a 1 % franchise for positive monetary compensatory amounts.

Moreover, the majority of delegations agree on the approach to be adopted regarding new compensatory amounts.

\* \* \*

*Question No 45, by Mr McDonald*

*Subject* : Processing Industry

Can the Council assure this House that, in its discussions of the co-responsibility levy on milk production, full account has been taken of the possible detrimental effects, that this will have on the processing industry, and is the Council aware that it is the most forward-looking firms which have made the highest investment in processing capacity and that a reduction in throughput must lead to an increase in processing costs, to the detriment of producer and consumer alike, as well as to the employees of firms concerned?

*Answer*

By Regulation (EEC) No 1079/77, the Council introduced in the Community a system of co-responsibility levies on milk production, which at present amount to 0.5 % of the target price for



milk and are designed to achieve the progressive re-establishment of balance between production and outlets in the milk sector.

In adopting this Regulation, the Council took into consideration and assessed the possible effects for the processing industry. It feels, however, that the potential difficulties referred to by the Honourable Member should be seen within the context of the Community's overall policy for the milk sector, where there is a serious problem with surpluses due mainly to the constant increase in production. To help absorb these surpluses, the Commission — assisted by a Working-Party representing various categories of activity in the sector, including the processing industry — has adopted a certain number of measures financed by the co-responsibility levy in order to encourage the consumption of milk products, and this could also have a positive effect for the processing industry.

For the 1979-80 milk marketing year, the Council has received a Commission proposal amending the present system of co-responsibility levies. When examining this proposal, the Council will take into consideration the Opinion of the European Parliament on this matter and will in any case assess the various consequences which the adoption of the proposal might have.

\* \* \*

*Question No 46, by Mr Normanton*

Subject : Aeronautical Research Programmes

What steps is the Council taking to achieve agreement on the Commission's proposals, approved by Parliament, for research and development in the aeronautical sector ?

*Answer*

The Commission proposal on an aeronautical research programme is being examined by the Council bodies. It is the first programme of Community research in an industrial field where there is a lack of any Community industrial policy and where there is multilateral co-operation outside the Community Institutions (e.g., Airbus). The programme proposed by the Commission does not, moreover, appear such as to ensure the full participation of each of the Member States. In these circumstances, examination of this proposal by the Council gives rise to particular difficulties which could affect the time necessary to reach an agreement.

\* \* \*

*Question No 47, by Lord Bessborough*

Subject : Community's relations with the People's Republic of China

In the light of the Council's decision 74/34/EEC, dated 6 December 1973, why have the governments and financial institutions of some Member States negotiated separate trade agreements and protocols with the People's Republic of China ?

*Answer*

Since the introduction on 31 December 1973 of the common commercial policy *vis-à-vis* State-trading countries, the Community alone has the power to negotiate trade agreements with such countries and common import arrangements are also covered by Community decisions. As regards China, a Community trade agreement has been in force since 1978.

However, the Member States are still able to conclude agreements or arrangements with third countries relating to economic co-operation (generally known as cooperation agreements), provided they do not cover commercial policy or are not such as to affect that policy. To ensure that this is the case, an information and consultation procedure was established by the Council Decision of 22 July 1974. Recently, two Member States (France and the United Kingdom) concluded cooperation agreements with China. France has already instituted the information procedure and the United Kingdom will do so shortly.

Any provisions in co-operation agreements relating to export credits are subject to the requirements of Article 4 of the above-mentioned Council Decision. In addition, whether or not a co-operation agreement exists, operations involving the grant to China, as to any other country, of tied credits which have a term of more than five years and receive official support (as regards insurance and/or

financing) are subject to the prior consultation procedure defined in Council Decision 73/391 of 3 December 1973. It should also be emphasized that this procedure applies whether official support comes from the State, any other public authority or any credit insurance or finance organization controlled by the State or any other public authority.

As regards untied credits with a term of more than 5 years, the subsequent information procedure defined in Article 17 of the same Decision applies.

Finally, with reference to the Council Decision mentioned by the Honourable Member in this question, I would point out that the Council has the power to authorize the tacit renewal or maintenance in force beyond the transitional period of friendship, trade and navigation treaties concluded previously by the Member States, pending their replacement by Community arrangements and provided that any incompatibility between such agreements and the provisions of Community law is eliminated. The object is to avoid any break in the continuity of contractual trade relations between the Member States and the third countries concerned. Such authorization is the subject of regular Council decisions. The most recent was in December 1978 and concerned a series of agreements which are authorized to remain in force until 31 December 1980. It should be noted that none of these concerns relations with China.

\* \* \*

*Question No 48, by Mr Brosnan*

Subject: Loss of revenue from duty-free shops

Is the Council aware that Commission proposals to abolish duty-free allowances between Member States will result in increases in landing charges and higher airline fares?

*Answer*

The proposals referred to by the Honourable Member, which sought to abolish sales of products free of customs duties, taxes and excise duties in airports and on board aircraft and ships, were withdrawn by the Commission on 21 December 1977.

\* \* \*

*Question No 57, by Mr Lezzi*

Subject: The question of the seat and Brussels

With regard to a decision on the question of the seat in accordance with Article 216 of the EEC Treaty, what view do the Foreign Ministers take of the fact that there are over 130 accredited at the seat of the Council and Commission in Brussels and that 480 international organizations and 350 journalists are permanently based in that city?

*Answer*

As the question concerns the seat of the Community institutions, it does not pertain to political cooperation.

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## IN THE CHAIR : MR MEINTZ

*Vice-President*

(The sitting was opened at 9.00 a.m.)

**President.** — The sitting is open.

1. *Approval of the minutes*

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

Are there any comments ?

The minutes of proceedings are approved.

2. *Documents submitted*

**President.** — I have received from the Commission a request for an opinion on the transfer of appropriations between chapters within Section III — *Commission* — of the general budget of the European Communities for the 1979 financial year (Doc. 9/79). This document has been referred to the Committee on Budgets.

Since this transfer concerns expenditure not necessarily resulting from the Treaties, I have consulted the Council on Parliament's behalf, pursuant to the provisions of the Financial Regulation.

3. *Procedure without report*

**President.** — On Tuesday, I announced the titles of Commission proposals for which it was proposed to apply the *procedure without report* provided for in Rule 27A of the Rules of Procedure.

Since Mr Pisoni, Mr Ligios and Mr Brugger have informed me that in their view the proposal for a directive establishing measures for the implementation of Directive 77/489/EEC on the protection of animals during international transport (Doc. 620/78) should be examined in detail, it has been referred, pursuant to Rule 27A of the Rules of Procedure, to the Committee on Agriculture, as the committee responsible.

Since no Member has asked leave to speak and no amendment has been tabled to the other proposals, I declare them approved by the European Parliament.

4. *Budgetary guidelines for the 1980 financial year*

**President.** — The next item is the report (Doc. 672/78) drawn up by Mr Bangemann, on behalf of the Committee on Budgets, on the European Parliament's guidelines for the budgetary policy of the Community for the 1980 financial year.

I call Mr Bangemann.

**Mr Bangemann, rapporteur.** — (D) Mr President, as last year, the Committee on Budgets proposes that we lay down our guidelines in good time — that is to say,

at the beginning of the budgetary debate. The Commission has been doing this for some time and its guidelines for this year reached us a few days ago, so that this is the right time and the right place for us to make a start on our work.

The Committee on Budgets proposes that we keep these guidelines very general, because this year we have the additional difficulty that on 10 June the composition of the Parliament will be changed and the new Members will naturally want to lay down their own guidelines. On the other hand, the existing Parliament must prepare the way, since it is out of the question that we should not begin work on the budget until September. I say this in order to put whatever decisions we may take today in their proper light, since it would be wrong to suppose that these decisions will be binding on the future Parliament. It goes without saying that the Members of the new Parliament will be able to pursue their work independently of these decisions; nevertheless, our preparatory work will certainly be appreciated.

The report is divided into three parts. In the first, it deals with the general problems of budgetary and financial policy and enumerates the most important questions which last year's budgetary debate left undecided. You are aware, Mr President, that circumstances led us to concentrate on the interpretation of Article 203 and the question of increasing the Regional Fund and that a number of other general questions of equal importance tended to be neglected as a result.

One of these is the incorporation in the budget of the Community's borrowing and lending activities, as proposed by the Commission in its preliminary draft budget for last year. Another question which will certainly claim our attention this year is the budgetization of development aid, the continuation of Community efforts to promote development within the framework of the new Lomé Convention. Here there had seemed to be agreement between all the Community institutions, but the Council's latest statements on the subject, both official and unofficial, suggest that it has modified its position. We should therefore enter into consultations with the Council on this question of budgetizing the development fund during the discussion preceding submission of the preliminary draft, since the fact that internal treaties are involved naturally rules out the possibility of doing this at the end of the whole procedure, when various questions will have already been settled by the outcome of the negotiations.

Another problem which tended to be neglected last year, although it is of long standing, has now been taken up again: this is the question of coordinating the ECSC budget with the general budget. For some years now, the ECSC, in contrast to the other Communities, has been pursuing extensive borrowing and lending activities extending far beyond the framework of the regular budget, and the interests of budgetary

## Bangemann

integrity and clarity require a greater degree of coordination here in order to remove discrepancies between the general budget and the budget of the ECSC. I say this with the steel crisis primarily in mind and I shall come back to this subject when I deal with specific questions, but it has become clear that the ECSC budget, as managed at the moment, has done relatively little to prevent this crisis or alleviate its effects.

We have taken up once more the question of applying the European Unit of Account. Last year this was a hotly disputed issue in the Committee on Budgets — I see my friend Lord Bruce, who on that occasion could not summon up much enthusiasm for it — but since then we have had the introduction of the European Monetary System, with the ECU, which in many fields has assumed the first functions of a parallel currency of this kind. Certain features that we advocated on that occasion in the report of the Committee on Budgets are to be found reproduced in this system today. I wish to express the committee's gratification at the fact that we have managed to put this monetary system into operation, for what we need are results and not just grand ideas.

We have also devoted attention to the question of strengthening the Community's financial autonomy and point out once more that the VAT entries, which are the basis for the Community's financial autonomy, must finally be turned into reality. We also say, as the Commission does too in its guidelines, that we must consider the possibility of making new resources available during the coming years, since the budgetization of the development fund will bring us up to, if not beyond, the limit set by 1 % of the VAT.

In the second part of the report, we return to those institutional questions which have arisen more particularly in connection with the debate on Article 203. This problem has unfortunately still not been settled, for the Commission is still confronted with the necessity of reminding certain Member States of their obligations. During the last consultation procedure with the Council, we pointed out once more that the adoption of a supplementary budget presupposes, without qualification, the existence of a regular budget. If the Council therefore considers it necessary to adopt a supplementary budget — and it must do this, since otherwise it cannot secure the inclusion of the 250 million EUA for the monetary system — this is tantamount to admitting that the 1979 budget is legally in existence. That is a logical and political necessity. It is impossible to adopt a supplementary budget while still disputing the legal existence of the original budget. That goes against all logic. I have pointed out to the French President-in-Office of the Council that it contradicts French logic in particular, for in the person of Descartes the French have an extraordinarily perspicacious logician who could even remove doubts as to one's own existence with the celebrated phrase *cogito ergo sum*. I would apply this to our

budgetary problems: we have a supplementary budget; therefore we also have a budget. On the plane of ordinary logic, therefore, this is not to be disputed.

Questions that are still open — the relation between legislative and budgetary authority, the implementation of the budget, the extent to which the Commission is entitled and obliged to implement the budget without previous legislation and the distribution of powers to classify resources as compulsory or non-compulsory — are also among those we intend to take up. We have seen this in connection with Article 203: it may be very tempting to leave all these questions open but at the same time it is also very dangerous, since a point may come — as happened during the last budgetary procedure — where the undisguised failure to reach agreement produces a dangerous political situation. If one, legally, continues to skate on thin ice, then the result one day will be a political catastrophe: everyone is then filled with dismay, although previously no one had been prepared to tackle these unsettled questions. One of these open questions is whether the Commission is not obliged to implement the budget if resources for a particular measure have been provided therein, even though legislation has not yet been adopted for each of the measures concerned. This is an important matter which will be occupying us this year again.

I come now to the third part of the report, on sectoral guidelines, where mention must first of all be made of the social field, including steps to combat unemployment, particularly in the crisis-ridden sectors. Mr President, in this public debate I wish to announce my intention, after consultations with the French Government, to visit these regions where the steel crisis is raging, because in my view it is one of the tasks of this Parliament to find out what steps we can decide upon to supplement the measures taken by the national authorities. In my view, it is essential that the European Parliament should make it clear that it is not only morally responsible for Europe but concerns itself with the real problems of this Community, not by interfering but by studying them and making itself available for their solution. That means, among other things, that we must study the steel crisis in various countries of the Community. Not only France is concerned but Luxembourg and my own country too, to the extent that certain aspects of the steel industry there are also in the midst of a crisis. As yet, it is impossible to say what we shall do in the course of the budgetary discussions: detailed information and also detailed discussions will be needed in the appropriate committees, particularly the Committee on Social Affairs, Employment and Education.

In the sphere of regional policy, we got our own way last year but had to accept the fact, communicated by the Commission in its annual report for 1978, that only 50 % of the Regional Fund's resources had been drawn upon. I will not go into the reasons for this

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now — it may well be, as the Commission says, that the responsibility for this lies mainly with the Member States — I only want to emphasize the point, because all these budgetary debates and all these battles we have had are wasted effort if the appropriations cannot be spent, if the budget we have adopted cannot be implemented. It may well happen that 80 %, perhaps only 75 %, of the appropriations can be spent — perhaps because of temporary obstacles beyond one's control ; but to be able to spend only one half of the resources provided for in the budget is no less than a scandal: any budgetary debate then becomes completely pointless, for what is the sense in fighting to get a thousand million increased by a further hundred million when afterwards only 500 million are spent? That is a senseless procedure, and we must therefore now, at the beginning of the budgetary debate, make it clear that the Commission must do all it can to ensure that the appropriations that we enter in the budget can also be deployed.

As regards the other sectoral questions, I can refer you to the report. I don't think there is much to be said on that just now.

The final paragraph contains a number of additional remarks concerning staff policy in particular. We can only accept a staff policy as proposed by the Commission to the extent that the Commission itself makes every effort to promote mobility within the individual institutions and also between the institutions. We have consistently indicated that it is difficult for the Parliament to approve new posts while the impression prevails that such mobility might also help to solve *ad hoc* tasks arising in one or another directorate-general.

Last year I suggested coupling an official's opportunity for promotion with his willingness to transfer with the system of promotion. This seems to me to hold out important prospects and I would once more ask the Commission, the only institution here immediately concerned, to take up the matter. At the same time, however, this applies to this House, to the Court of Justice, the Court of Auditors and the Council, which might well consider jointly how a mobility scheme of this kind could be coupled with additional opportunities for promotion. That would surely be welcomed by this Parliament.

Mr President, this is the Parliament's final word in this matter. At the same time, however, it is also a beginning, which we should mark with an expression of our own views, since we are not only that part of the budgetary authority which has the final word: at the beginning too, we should make our voice heard.

**President.** — I call Lord Bruce to speak on behalf of the Socialist Group.

**Lord Bruce of Donington.** — Mr President, my group would like to thank Mr Bangemann for the report he has prepared on behalf of the Committee on Budgets on this most important topic, which is really

the committee's ideas as to the way in which Community policy should be developed in the year 1980, because the budget itself is the indicator of the true nature of what Community policy really is — instead of all the generalized verbiage, which very often means nothing. When it comes down to figures, these are the true indicator of what policy really is about. Those of us who have had the privilege of working with Mr Bangemann over the past few years know that he has approached this matter with very great honesty. He must also have approached it with a certain amount of depression, because the sentiment which he has been uttering today were uttered in 1975 by Mr Cointat, the distinguished rapporteur for the 1976 budget, were uttered by me in 1976 when I had the honour of being the rapporteur for the 1977 budget, were reiterated by Mr Shaw, the distinguished Conservative, when presenting the 1978 budget, were reiterated again by Mr Bangemann last year when presenting the budget for 1979, and now we have the echo once again.

The reason why he must be depressed, and why House must be depressed, is that we all know perfectly well that whatever guidelines we may venture to lay down in Parliament, nothing is going to change substantially. We know on the basis of our last four years' experience — and indeed the current estimates by the Committee on Budgets do not really anticipate any particular change — that the EAGGF is going to occupy the overwhelming mass — nearly 75 % — of the Community budget, as it always has done. Who imagines, Mr President, that once their snouts have been in the trough they are likely to take them out again? So we are all approaching it with a degree of fatalism.

My group in general agrees with the approach that has been made by Mr Bangemann save in one important respect. Mr Bangemann, and indeed the Committee on Budgets, in paragraph 6 of the motion, say that the Community's financial autonomy should be strengthened by the creation of new 'own resources.' Why should Parliament agree to the creation of new resources for the Community? If the Community goes on misusing the resources it already has, what is the point of granting new resources? If the Commission and the Council, who as usual on a Friday morning do not appear on the front benches to hear what is said, exhibited some signs of proceeding constructively in the industrial field, in the social field, in the regional field, in the development field — outside the common agricultural policy — if they did one - tenth of the things implied by their long and verbose protestations to the public, Parliament ought to be anxious that the Community has its own new resources. But if we gave the Community new resources, if we increased the contributions of the Member States — and as a member of the United Kingdom delegation I speak somewhat feelingly on

### Lord Bruce

that subject — what guarantee would we have that they would not still go down the endless maw of the common agricultural policy? What guarantee have we? In fact at the moment there is an overwhelming case for restricting total Community expenditure and putting the squeeze on the common agricultural policy, as indeed many people tried to do yesterday. The public still do not know, because the press of the world will not tell them, that over 1 500 million units of account per annum are spent on the storage of surplus food produced, not for consumption but to put into store. And when the public of Europe know that, and when the media who affect to serve them tell them that, then there will be some movement in the common agricultural policy. There will be less expenditure on it and more resources will become available for the pursuit of those other very desirable priorities which Mr Bangemann has outlined this morning and which my group entirely supports. First let us get some movement and then, when the Commission and the Council have shown Europe that they are capable of proceeding beyond the narrow confines of the farmyard, perhaps we may envisage additional resources.

We are talking, of course, as Mr Bangemann has said, of 1980. There can be little doubt that our successors, when they come to this place after July, will in the initial phases of the new Parliament approach their problems with the same dewy-eyedness as some of us did when we first came to this place. But when they get to the harsh realities of it, when they see that nothing changes except mildly on the periphery, then I am quite sure that whatever initial marginal disagreements they may have with the policies as set down by Mr Bangemann, they will ultimately endorse them — and may indeed endorse them with a voice much more strident than we in this House have been able to speak with in the past.

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

**Mr Spinelli.** — (I) Mr President, in presenting this report on budgetary guidelines, we had the choice of adopting a high profile or a low profile. This is the last time that the present Parliament will have the opportunity to put forward its ideas on the budget, a field in which, moreover, Parliament has generally worked successfully and which represents one of the key chapters in the history of the European Parliament, in view of the progressive achievement of a certain degree of control and effective power and the contribution which Parliament has made to the adjustment of the budget itself to certain general policy requirements.

In this situation, therefore, there was a case for offering a testimony. The Latin word *testamentum* means both last will and testimony. We wished to offer this testimony on the kind of budget we would

have liked to see in the coming year, specifically to provide some meaningful information for the directly elected Members, which might have benefited from a clear statement of views by those who have by now acquired some experience in this matter.

However, the Committee on Budgets — including Mr Bangemann, in agreement with the majority opinion in the committee — preferred to keep a low profile by presenting a somewhat insignificant report. A significant report would have been one which did not merely consist — as this one does — of a list of existing problems which, as Lord Bruce has rightly pointed out, are repeated year after year, but a report which, after rapidly referring to those problems, indicated one or two of the main points on which to base a frontal attack to improve the structure of the budget, and made it clear that, without satisfaction on this issue, Parliament would be unable to approve the budget.

That is the way to launch a strategy as part of a process for the development and formulation of any policy, including the budgetary policy of the Community. The latest report, on the other hand, is not like that at all. Taken individually, all the points it raises are acceptable, but there is nothing to hold it together, or any indication of the budgetary policy advocated by Parliament.

In view of important recent events, which may now be moving towards a conclusion which is basically satisfactory for Parliament thanks to the determination which it has displayed, we should call upon the Commission to present the budget in a different way from hitherto. A proper budget must always be based on a coherent policy of revenue and expenditure, and an appreciation of the likely volume of revenue and the required level of expenditure.

We have long been used to expenditure budgets from the Commission guided by the criterion of the expenditure which the Commission thinks should be effected by the Community. The resulting total determines how much we request for the rate of VAT needed to cover the expenditure, by way of contributions from the Member States, in line with past practice.

In my view, the Commission should submit an analysis of ways of developing Community revenue, showing the volume which the Community budget must attain if it is to affect the lives of our peoples. This is not something that can be achieved overnight. However, this is the direction in which we should be moving, and the reason why the Commission should outline the general economic situation, indicate the overall tax burden borne by Community citizens today, and propose a possible redistribution, so that next year, for example, we may be able to count on a given level of development and establish an overall order of magnitude which will, in turn, help us to establish the order of magnitude of expenditure.



## Spinelli

That is the proper way of dealing with the problem, which has been inaccurately defined by the Council. The Council believes that we must establish at the outset the maximum rate of increase which must be subsequently adhered to. But it is not possible to fix the maximum rate at the beginning of the process: this is forbidden by logic, regulations and the Treaty. The maximum rate must be fixed at the end, with the joint agreement of Parliament and the Council, and not by a unilateral decision.

It is therefore necessary to have an overall view of the financial possibilities available, for the additional reason that Parliament does not accept the accusation — which is unjustified, but inevitable given the logic of the present system — of wishing to spend too much and not caring about who has to pay or how. I am not saying that the Bangemann report should have provided an answer to this question, but it should at least have requested the Commission to move in this direction, thereby increasing the significance of the report itself.

In addition, speaking of the various Community policies, Mr Bangemann points out that this list does not reflect any consistent criterion. That is not the way to go about things. We should have emphasized the fundamental problems which the Community must tackle, such as the combating of unemployment, economic recovery, industrial reorganization and conversion, and called for solutions to these problems, indicating shortcomings or gaps at policy and planning level.

That is the manner in which the budgetary guidelines should have been presented to Parliament, and which would have reflected, moreover, the ideas expressed by almost all the political groups. We shall not propose amendments because Parliament's intention to keep a very low profile has also been confirmed by the decision to hold this debate on a Friday, when many Members are absent and the Council representative and even the Commissioner responsible — the very person we should be addressing — are not present in the House. We shall therefore abstain.

**President.** — I call Mr Ripamonti.

**Mr Ripamonti.** — *(I)* Mr President, ladies and gentlemen, I should like to echo the tribute paid by Lord Bruce to Mr Bangemann for the work he has undertaken as rapporteur on the 1979 budget and on the report presented by the Committee on Budgets which is today being considered by Parliament.

Lord Bruce has emphasized how the work undertaken by Mr Bangemann represents the direct continuation of that carried out by previous rapporteurs who have taken account of the demands of Community citizen, who are in favour of the achievement of economic and monetary union. We must therefore hope that

this annual reiteration of guidelines, which, although virtually the same every year, fails to lead to structural and other effective changes at a practical level, will not reduce Parliament's participation in the budgetary procedure to the level of a recurrent liturgy, in the absence of any ability to exert pressure or give practical application to the guidelines which Parliament submits for consideration by the Commission and the Council in drawing up the first draft budget.

In his motion for a resolution, Mr Bangemann has naturally concentrated, in a manner reflecting the proposals put forward in the discussions in the Committee on Budgets and in the ad hoc working parties, on the outstanding general problems concerning budgetary and financial policy. In addition to the problem of the budgetization of loans, reference might be made to the problems of supplementing the Financial Regulation to cover budgetary policy, and the need for closer coordination between the Commission budget and that of the ECSC, since the implementation of energy policy also involves institutional problems for the ECSC, which it must resolve by obtaining the necessary resources from outside the Commission budget.

Mr Spinelli has stressed that this debate should prompt us to formulate specific proposals concerning the development of Community action and to define clearly the necessary level of the Community's own resources if our proposals are to have practical effect. The final communiqué of the European Council and the statement made yesterday by the President-in-Office of the Council would indicate that this problem of finding additional resources has been at the centre of the discussions between the Heads of State or Government, and the Commission has been requested to undertake a study of this question. I believe that such studies have already been completed for some time, and that detailed proposals exist concerning the volume of resources required for the Commission budget to ensure that they are used effectively and that intervention measures have a decisive impact on the policies of the Member States so as to step up convergence of economic policies and reduce discrepancies in growth rates and regional and social imbalances. I feel that this aspect is neglected in the motion for a resolution, although it has been discussed in the Committee on Budgets and in the House.

I wish to make a further observation. This problem could be raised by Parliament's delegation in the course of the budgetary procedure, subject to the approval of the House. As we will be dealing with the problem of procedure and interpretation pursuant to Article 203, the matter of the rate of increase cannot any longer be considered of secondary importance, seeing that it is bound up with the extremely serious position of the European economy.

**Ripamonti**

That is why it is worth mentioning here the relationship between the problem of unemployment and the budget. It is not true that I claimed yesterday that the budget was the instrument through which we can solve all the problems of the Community, but it does provide an indication of the political will to move towards the solution of those problems. If we do not decide to ease unemployment by increasing available resources and appropriations for structural reforms, thereby increasing the rate of growth, the budget will undoubtedly lose all meaning as an expression of political will or as a means of Community action for solving — not in words but in deeds — the problem of unemployment in the nine Community countries. All the political groups have considered this problem as being at the centre of the debate and of political action by the Community. I shall not dwell any longer on this issue, as I agree with the rapporteur in his identification of the main sectors in which Community action must be clearly defined. I also believe that, in the course of the budgetary procedure and in subsequent debates, priority criteria will have to be adopted governing the utilization of resources.

I should like to refer to the energy problem, which, I feel, is particularly relevant in the present international situation. I think we should do a bit more in order to attain the stipulated objectives. Greater Community cohesion is called for in this sector and, in particular, we should step up research and development action concerning new forms of energy, as well as coordinating the nuclear policy of the nine States while safeguarding the environment. We should also explain to the public the case for the measures we are taking to protect the Community's energy supplies.

One final comment concerns Community action with the developing countries. I consider that economic growth in Europe is closely bound up with economic and social growth in the developing countries and that there exists a clear interdependence between the European economy and that of the large number of countries which are freeing themselves from political and economic dependence, and which suffer not only from the problem of unemployment but also from that of hunger. A Community such as ours, at present faced with the problem of promoting economic and social development, must consider the need to gear its development towards a rational international redistribution of labour which holds out grounds for hope and reassurance for the developing countries and would facilitate the objective of eliminating misery and hunger in the world.

I believe that these considerations are not abstract concepts, but relevant to the budgetary guidelines, which should show the new Parliament and all Europe the way forward for future Community action.

**President.** — I call Sir Brandon Rhys Williams.

**Sir Brandon Rhys Williams.** — Mr President, I hadn't intended to catch your eye in this debate, but I had the good fortune to hear Lord Bruce when I came into the Chamber, and if what I have to say has already been said by another speaker, then I can only hope that it is sufficiently valid to be worth saying twice. Lord Bruce seemed to me to be unlike himself this morning, because he was grumbling, possibly with justification, about certain features of the budget, but he was not making his usual positive recommendations as to what should be done to put it right.

I think we are all very familiar with complaints about the nature of the Community's budget, its lack of balance and the very large proportion which is being spent on agriculture. I do not think Lord Bruce was being quite fair to the Press, certainly in Britain, when he said that the Press did not publish the facts about the cost of financing the storage of surpluses and such matters as that. There has, indeed, been a very high degree of exposure of these facts, and quite rightly too. But where we are rather short, where there is a deficit in the Community, is really positive and fresh recommendations as to how the matter ought to be tackled. We hear complaints too about the fact that too little money is flowing into regional development, and that is quite right too. But we need to analyse this more fully, and I must say I think that Mr Bange-mann has got it right when he emphasizes in his report the necessity of expanding in the direction of a capital budget.

The reason why we still have these problems with our budget is that we focus to such an extent on the current account, year-to-year transactions, and are not yet really capable of taking a longer view of Community income and expenditure. The real problem is that the Community has no free capital market. While we are still penned in within our national frontiers to the extent that we are, in terms of the capital market, the Community budget inevitably will have this one-sided character. It will inevitably be a Stone Age budget, we move from one crop to the next without being able to plan for the future in any real sense. So, I do think that it is not just a matter of complaining about the character of the budget, we have to complain about the fact that there is in the European Community no effective capital market of the sort that really any self-respecting customs union ought to be able to achieve.

There is, of course, a free market for capital in that all countries have access of a kind to the Euro-dollar market. But as soon as you start to dabble in the Euro-dollar market, you raise the hideous spectacle of exchange-rate variations, and inevitably governments, and the Commission too, are afraid of the side-effects of trying to rectify the European Community's own weakness in the capital market by drawing on the world free market. We are using it to a limited extent for financing the European Investment Bank, and I

## Rhys Williams

would like to take this opportunity once again of paying tribute to the simply first-class work that is done by the European Investment Bank. We have also, started in connection with the 'Ortoli Facility' to think in terms of drawing on the world capital market in order to rectify this deficiency within the Community. But if we draw too heavily on the world capital market while our own national currency markets are so volatile and imperfect, we raise problems of monetary control within our own frontiers which are extremely difficult for central banks to handle. Moreover, we thereby add to the distortions of the exchange market which are creating difficulties for exporters and importers because of the unpredictable and irrational character of the foreign exchange market in its present imperfect state.

I remember a discussion I held with Mr Emminger in Frankfurt about 12 months ago in which I urged him to encourage the recycling of Arab surpluses into the European Community instead of New York. Of course he understood the benefit of bringing back what in effect are our own savings from the Middle East and putting them into productive use within our own Community. But the uppermost thought in his mind — and it was perfectly proper for him to see it this way, as his primary responsibility is to the Bundestag — was what effect it would have on the relationship between the German mark and the dollar. Naturally he didn't want Arab funds to be diverted from New York into the Deutschmark if, as he feared, the effect would simply be to accentuate further the overvaluation of the Deutschmark. Well, the solution to this problem is in sight with the setting up of the European Monetary System, but the ECU is still a very, very long way from being a world currency into which we can attract the investment of funds in any volume. We might possibly think of some dramatic gesture like capturing the free gold market and regulating the price of gold in terms of the ECU. I am not suggesting that seriously, but as a talking-point.

However, there are certain things which I would like to suggest seriously and for which, I think a discussion on the Community budget is the right moment. We really must insist, with Mr Bangemann, on the presentation in the budget of a statement of the capital account. He is absolutely right to put this as almost the first item in his motion for a resolution. But to balance that, the governments must also create the European capital market which would make it make sense. We need to press our governments to honour their obligations under the Treaty. More than one government is in default, but I think that the British Government in particular should re-examine its comments in this respect. If Mr Callaghan wants to be taken seriously on the continent, he must stop his negative approach and put forward positive recommendations and positive gestures which would show the

solidarity of Britain's commitment to the progress of the Community.

Just now, for technical reasons, we have an unhealthy flush on the pound. The pound is artificially high because the British government has to maintain an exceptionally high rate of interest in the British capital market because of the pattern of government borrowing. And since our interest rates in London are quite out of line with the world capital market, a flush of funds is coming into London which is pushing the pound up rather unnaturally and in a way which is embarrassing to our exporters. This then is the moment to make the gesture. We should free the controls on outward movements of capital from Britain and turn London into the free capital market it ought to be. If the British Government was prepared to make a gesture such as that, it would help London to make the contribution that it should be making to the capital structure of the Community. It would also add to the credibility of the Labour Government as genuinely seeking to cooperate with our Community colleagues. That, then, is the positive recommendation that I would like to make, and I hope that it will be followed by a gesture from our declining Labour Government in its last weeks. They should take this opportunity while they can.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, this debate has provoked the expression of important political standpoints as well as of much expert knowledge. The Commission shares the view that the budget should increasingly express the main lines of Community policy: hence the importance of this wide-ranging debate, the third to be held by this Parliament as budgetary authority.

The Commission has submitted a further paper, which will shortly be debated in this Parliament. This takes a detailed stand on the questions raised by Mr Spinelli regarding the treatment of the revenue side of the budget, and we hope that the exchange of views with the Parliament will exert a stronger influence on the decisions of the Council. By and large, Parliament and Commission have always expressed similar views on budgetary matters: consequently, we are particularly grateful to Mr Bangemann for this report.

The report contains a number of views which the Commission can appropriate to itself without reservation. We too are of the opinion that the budget is lacking in balance, that the appropriations for agricultural expenditure, constituting 75 % of the budget, are out of all proportion to the rest. We also share your view that if things go on this way it will in the long run be impossible for the Community budget to exercise, as it should, the function of redistribution, particularly as regards the relation between poor and rich in the Community. We must rely on Parliament's

**Brunner**

help if we are to find a solution to this problem. It is not enough merely to regret that this budget is ill-proportioned, that agricultural expenditure unduly predominates; we must be convincing in our presentation to the Council of other sectoral policies capable of gradually straightening out this malproportion, and reforming the agricultural policy and imposing a ceiling on agricultural expenditure will not alone suffice to this end. We shall have to undertake much greater expenditure — so far as it is necessary — in other fields too if we are to develop a coherent Community policy. I therefore reiterate our hope that this big debate on the Commission's proposals concerning the budget as a whole, its structures and its revenue side, will be conducted in such a fashion as to have repercussions on public opinion. Only in this way we make progress, step by step.

Mr Bangemann's report contains a number of views which we heartily welcome. We have repeatedly stressed our view that borrowing and lending should be incorporated in the Community budget. We have repeatedly stressed that the European unit of account should find wider application within the budget. We also take the view that it is high time that the Community's fund for development aid be included in the regular budget. We have always shared your view that the sums named for expenditure on research are purely indicative and that the Parliament has here a much greater right to decide than has so far occasionally been allowed it by the Council of Ministers.

With regard to the sectoral policies, we have introduced a number of improvements in the handling of resources from the Regional and Social Funds. We share your discontent over the fact that the flow of these resources is occasionally too slow, as a result of which these sectoral policies suffer. By means of these improvements we are trying to secure an acceleration of the process; but please bear in mind that in the end the Commission does not always have an opportunity of accelerating the flow of these appropriations. Often the fault lies with the applicants, often with the national authorities.

I gladly accept Mr Bangemann's suggestions regarding staff policy. We also advocate greater mobility. The idea of offering a stimulus by coupling mobility with prospects of promotion is a good one which deserves to be pursued further.

Both the report and the debate have attached particular importance to the problem of the Coal and Steel Community, its resources and the relationship between these resources and the general budget. We are of the opinion that customs duties from steel should be included in the regular budget, and we have submitted a proposal to this end. In order to facilitate current projects, we have proposed that in the meantime an *ad hoc* solution be found on the basis of

contributions from the Member States. This is indeed an important problem, which Parliament should keep a hold on if this unbusinesslike solution, which was originally conceived within the Coal and Steel Community and which results in the exclusion of these revenues from the general budget, is to be reformed. I think this will be possible if we work at it constantly.

We share with you the opinion that it will be of decisive importance for the future of the budget to improve the relationship between the institutions by establishing a coordinated procedure as proposed by Mr Bangemann. This applies in particular to the problems surrounding Article 203 of the Treaty, where we must find a better method of reaching a consensus. It applies in an even greater degree to the division between compulsory and non-compulsory expenditure. Here we believe that friction could be avoided if we could achieve a little more understanding on the Council's part by means of a systematic procedure of mediation and consultation backed up by all the pressure of the future directly-elected Parliament.

I thank you once more for the report and for the debate and offer my apologies for the fact that the Commissioner concerned with budgetary matters could not be here today. He would gladly have been here if it had been possible. Nevertheless, I think the debate has been useful and we shall have occasion for further thoroughgoing discussions of these subjects. Here lies the core of Parliament's future influence.

**President.** — I note that no one else wishes to speak. The motion for a resolution will be put to the vote — together with the amendments which have been moved — at the end of the sitting.

The debate is closed.

#### *5. Application of Article 203 of the EEC Treaty*

**President.** — The next item is the motion for a resolution (Doc. 682/78), tabled by the Committee on budgets, on the application of Article 203 of the EEC Treaty (Article 12 of the Treaty of 22 July 1975).

I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.** — (D) Mr President, ladies and gentlemen, the rapporteur for the Committee on Budgets has already pointed out during the previous debate that there is a conflict between Council and Parliament about the application of Article 203. This conflict has broken out in connection with the establishment of the 1979 budget, and the Council is now engaged in attempting to establish ostensibly — and I stress ostensibly — internal rules of procedure for the application of Article 203 during the discussion of any current budget.

## Lange

The dispute primarily concerns the interpretation of Article 203 (9), subparagraph 5. The question at issue is that of exceeding the maximum rate of increase annually fixed by the Commission. This maximum rate relates only to non-compulsory expenditures and consequently to that part of the budget which, as the previous debate has shown, is especially important for the Community's future development.

Agricultural expenditure, insofar as it concerns the Guarantee Section of the EAGGF, is compulsory expenditure, on which the Council has the final word. With regard to non-compulsory expenditure, it is the Parliament that has the final word as the other part of the budgetary authority. Mr Brunner, on behalf of the Commission, has just made some observations to the effect that in general the Commission shares the Parliament's views even though there may be differences of opinion here and there. As regards compulsory and non-compulsory expenditure, Mr Brunner, you are aware that even here there are *decisive* differences of opinion between Commission and Parliament. You yourself have stated in a very recent proposal for a regulation concerning interest subsidies on the five 1,000-million loans distributed over five years, that these interest subsidies belong to the compulsory category. We discussed this subject last week with the Council in the presence of the President of the Commission and the Commissioner responsible for the budget, Mr Tugendhat.

In our view this is inadmissible, for here the Commission is doing something which, in connection with the Council's long-standing efforts to expand compulsory expenditure, restricts the Parliament's powers of decision. In this way, you are helping to restrict the Parliament's freedom of decision. The objective should be, on the contrary, to broaden the character of non-compulsory expenditure. Parliament's opinion concerning, for example, the Agricultural Fund is that the Guidance Section is non-compulsory. Here, therefore, we are entitled to expect the Commission to stand by what it says. Here I will add what we said in the Council. The Council maintains that it has no intention whatsoever of restricting the budgetary powers of the Parliament as part of the budgetary authority or of reducing them to a mere formality. The Council's behaviour, however, always shows the opposite, and if this is so one can but have serious doubts about the sincerity of such statements.

Mr Brunner, I have to express similar doubts, though not quite so strong, regarding the statements of the Commission.

One further remark about the maximum rate of increase. This is an instrument which prevents the Community from pursuing anticyclical policies in the face of critical situations — and it can hardly be disputed that such situations exist as an obstacle to

the Community's further development in the economic sphere: we only have to think of unemployment or of other problems in the energy sphere, for which you, Mr Brunner, are in particular responsible. The President-in-Office of the Council had something to say about this yesterday, but we still have a long way to go before we can believe in the existence of a unified and integrated energy policy in the Community. In none of these cases — I have named only two, but I could add several more — can we, of course, be so enterprising as we should have to be if we were allowed to pursue an anticyclical policy, for the maximum rate of increase imposes a limit on the extent to which the funds available for these tasks can be augmented, quite apart from the problem of the abnormally large agricultural budget in respect of the Guarantee Section.

The point is that, as experience has shown, the Council does not produce a budget based on political considerations so much as it produces, with regard to non-compulsory agricultural expenditure, an extremely mechanistic and unpolitical budget. There lies the fundamental contrast between Council and Parliament. We want the budget to be an instrument of policy, while the Council wants to treat the budget as no more than an instrument of bookkeeping. Despite its assurances to the contrary — or at least in part to the contrary — the Council has so far not abandoned this standpoint. Now it wants to work out an internal procedure for limiting this rate of increase, for the conflict first broke out because the Council itself was reluctant to convert its own decision, arrived at without a qualified majority, into an increase in the maximum rate of increase communicated by the Commission at the beginning of May last year. This it could not make up its mind to do. It brought difficulties upon itself by accepting without a qualified majority a financially important proposed modification of the Parliament's; but it could not make up its mind to draw the positive consequences of this and accept the increase to which the rate of increase was thereby subjected. We are convinced by various considerations expressed in the Council which have become known to us that the danger now exists that the Council will restrict the Parliament's powers of decision regarding non-compulsory expenditure — perhaps that is not its intention, but that is what it amounts to — by measures relating to the rate of increase so that the Parliament can no longer insist upon its order of political priorities because the Council determines its own political priorities — if the word 'political' can be applied to it at all here — in the question of the maximum rate to be applied at each stage of the budgetary procedure.

This means that the Council, in response to the Parliament's modifications relating to non-compulsory expenditure, determines its own priorities in the most

## Lange

varied political spheres, and in doing so it creates further possibilities of conflict between it and the Parliament. As stated in paragraph 1, we have no objections to the Council's attempting, in connection with the mutual relations laid down in the various provisions of Article 203, to put its house in order; but we have every objection to such allegedly internal rules of the Council when they acquire external implications, implications affecting the Parliament as the other part of the budgetary authority, since these implications are liable to whittle down the rights — I would even say, the duties — devolving upon the Parliament from its budgetary powers.

The same applies to legislative acts based on the Treaties. The same also applies to the opportunities implied in the consultation procedure that was called into being by the agreement of 4 March 1975, which represents a kind of conciliation committee between Council and Parliament reminiscent of similar institutions in various national parliaments.

I repeat: we have nothing against internal rules of procedure, but we do not accept that such internal rules should reduce the powers of this Parliament in matters of budgetary and financial policy below the level laid down in the Treaties. That is why we call for discussions between Council and Parliament at the earliest possible opportunity — this is contained in paragraph 3 — initially of an informal character, before the Council arrives at a final decision concerning Article 203, so that the Council can be made fully aware of the Parliament's views concerning the respect of its powers and also the respect which Parliament owes to the Council's decisions. These discussions must be informal; they cannot take the form of an official consultation or conciliation procedure, since we should then be confronted once more with a Council opinion adopted beforehand, which would leave us no room for manoeuvre. Hence the formulation adopted in paragraph 3. We as a Parliament are prepared — just as the Council has always declared itself to be — to make our contribution towards removing, for future budgets, the difficulties that have arisen in the establishment of the budget for 1979; but this can only take place if the rights, powers and duties laid down in the Treaties and other legal acts are mutually respected.

This, Mr President, I believe should be conveyed to the Council. Members will see from the document submitted to them that steps have already been taken, but what the Parliament now has to do is, officially and very firmly as a Parliament, to convey its opinion to the Council and its desire for discussions such as I have just outlined.

**President.** — I call Lord Bruce to speak on behalf of the Socialist Group.

**Lord Bruce of Donington.** — Mr President, my group wishes to endorse the resolution put forward by Mr Lange on behalf of the Committee on Budgets.

The House will be relieved that I do not intend to repeat the speech I made on 12 December last year on this particular subject, in which I revealed that the Council, in presenting to Parliament the draft budget when it arrived at on 22 November last year, took an unpardonable step and gave very great offence to the French Government. It was very wrong of the Council of Ministers to agree to a budget in accordance with its constitutional procedure which upset the government of France. And so, the events speedily followed. There were conversations between the President-in-Office and Mr Colombo, as the result of which on 15 February — see Annex 2 to Doc. 682, which we are discussing — Mr Colombo sent back a message to Mr François-Poncet, the President-in-Office of the Council of Ministers, in which he said:

Dear Mr President, During our recent meetings, when we had the opportunity to discuss the budget of the European Communities for 1979, you stated the position of the French Government and explained the attitude to be taken by the Council of Ministers...

Mr President, the attitude of the French Government, which it is quite entitled to take, as indeed government of any other Member State is of course of interest to all us; but why the attitude of the French Government should be specifically mentioned to our President when communicating a possible position of the Council of Ministers, I do not know. It only gives rise to the supposition that, at any rate so far as the government of France is concerned, if something is not in the interests of France, well then it can't be in the interests of the Community. There are some other Member States who over the remaining years will probably challenge increasingly that most remarkable proposition.

The fact of the matter is that Parliament, through its President, though its Committee on Budgets, all the way through the budget procedure of last year up to the passing of the budget itself, compiled scrupulously with the law as set out in the Treaties. At every point it followed quite faithfully the provisions of Article 203 relevant to each particular stage. Moreover, Parliament at least had the candour to explain its position fully, clause by clause of Article 203. So far the Council has not done so. All the Council has done is to say you have not complied with it. They have not said where, they have not challenged any of the detailed arguments and statements made by Parliament. What they are now saying is that, because the rules as laid down by the Treaties have adversely affected the government of France, the rules have got to be changed. This is something Parliament cannot accept. They should stand on the rights they have under the Treaty. They will be here for a long time after I have departed from the parliamentary scene.

## Lord Bruce

If there is any honesty about this whole matter, the Council has one logical step they can take without giving offence to anyone. They can themselves ask the Court of Justice under Article 164 of the Treaty to give its interpretation — that is what they can do. They can ask an independent body, free of all the temporary political domestic pressures that make people try and bend the rules. They can ask the Court to give a rule. This is the honourable and correct thing to do.

In the meantime, Parliament must resist any attempt that may conceivably be made by the Council under the influence of whatever Member States may be involved, including if necessary the United Kingdom, to rewrite the internal rules and then seek to impose these rules on Parliament. If Parliament ever gave way to that procedure, Parliament could then write its own death-warrant as an institution having influence, or the right to any influence, over Community affairs.

**President.** — I call Mr Eberhard.

**Mr Eberhard.** — (*F*) Mr President, first of all I wish to state that I am speaking on behalf of the French Communists. Apart from being worded in a style which is deliberately obscure for the uninitiated, this motion for a resolution raises the problem of the European Assembly's budgetary powers. It is an open secret that the question at issue is that of achieving, with effect from the 1979 budget, illegally adopted by the European Parliament, an extension of the Assembly's powers.

This institution has for long set itself the task of constantly whittling down the powers of the national parliaments, and it is above all in the budgetary sphere that the Assembly has made every effort to carry out this task — mostly by methods that are admittedly obscure to those who are not skilled specialists in European budgetary law.

Acting along these lines, the Assembly recently had the gratification of seeing an extension of its prerogatives — an extension enjoyed in practice since the Treaty of 1975. Today it proposes to get yet further, to take one more step along a road whose direction has been clearly stated. In the short term, the object is to extend the European Assembly's margin of manoeuvre and enable it to become the real budgetary authority; in the longer term, budgetary law is regarded as the midwife of law pure and simple. To put it more clearly, the object is to enable the Assembly to set itself up as a parliament which, by voting appropriations for, *inter alia*, spheres not provided for in the Treaties, would thus be in a position to determine both the orientation of Community policies and the resources allocated for their implementation. The situation therefore seems to me to call

for a reminder at this point that, insofar as France is concerned, the law adopted in June 1977 declares null and void any decision by the European Assembly which does not conform to its prerogatives as defined in the Treaties ratified by each state.

On behalf of the French Communists in this Assembly, I shall therefore vote against the motion for a resolution, and in doing so I shall be doing no more than respecting the will of the national representation of my country.

**President.** — I call Mr Spinelli.

**Mr Spinelli.** — (*I*) Mr President, on behalf of the majority of the Communist and Allies Group, I should first of all like to point out to my colleague who has just spoken that this is not — as I have already told him on another occasion — a case of 'whittling down' the powers of the national parliaments. What is at issue is the relationship between the European Parliament and the European Council. If for example, matters were resolved in such a way that the European Council took decisions instead of the European Parliament, national parliaments would still not have any real power. Although change in this direction would be quite contrary to the fundamental tenets of the Community, it would in no way affect the national parliaments.

I should like to recall the fact that the agreements and the Treaties here in question were freely signed and freely adopted by all the national parliaments of the Member States, including the French parliament. Therefore, if there are any restrictions on the powers of this or that national parliament, they were freely accepted by the parliaments themselves. In future we may have to consider the question of further restrictions, and the national parliaments will have the right to say yes or no. In this case the warning which Mr Lange gave to the Council, on behalf of the Committee on Budgets, seems to us completely justified. Indeed, we could not accept that under the pretext of changing the internal Rules of Procedure of the Council, the precepts which govern the powers and functions of the institutions and thus, also, the European Parliament could be undermined and violated. Provided that the Council respects these standards we, of course, shall not intervene — even if we had the power, which we do not — in the definition of its internal Rules of Procedure. We shall therefore vote in favour of the motion for a resolution.

**President.** — I call Mr Eberhard.

**Mr Eberhard.** — (*F*) Mr President, I would merely like to point out that within the Communist and Allies Group there is neither a majority nor a minority, only an association of Communists and allies from different countries — Italy, France and

**Eberhard**

Denmark. So far as I am concerned, I am prepared to vote without hesitation for a resolution stating quite firmly and clearly that the European Parliament will not call for an extension of its powers.

**President.** — I note that no one else wishes to speak. The motion for a resolution will be put to the vote — as it stands — at the end of the sitting.

The debate is closed.

*6. Research and training programme in the field of controlled thermonuclear fusion*

**President.** — The next item is the report (Doc. 581/78) drawn up by Mr Noè, on behalf of the Committee on Energy and Research, on the

proposal from the Commission to the Council for a decision adopting a research and training programme (1979-1983) for the European Atomic Energy Community in the field of controlled thermonuclear fusion.

I call Mr Noè.

**Mr Noè, rapporteur.** — (I) Mr President, Commissioner Brunner, ladies and gentlemen, yesterday in this House we considered the question of energy supplies over the transitional period, the medium term, to replace the existing pattern between the years 1985 and 1990.

The report which I have the honour of presenting this morning is concerned with a far more distant time horizon — the long term — when mankind if it has managed to survive the trials and tribulations of the medium term — and there is no guarantee that the outcome will be a favourable one — will, we hope, be able to create the utilities we shall be discussing. The long term situation may be easier, because inexhaustible sources of energy may — I repeat, may — be available to mankind.

There are basically three of these sources, or at least there seem to be three at the present time: fast-breeder reactors — about which we have already spoken at length in this Assembly — solar energy and, lastly controlled nuclear fusion, which we are discussing today and which, in my modest opinion, is by far the most attractive of the three. Why is this? It is by far the most attractive because, on the one hand, it will not — providing the system works — have the undesirable features of nuclear fission — that is to say the fact that long-lived radioactive waste is produced which must be reprocessed and then placed in specific geological deposits, in an inheritance which is pleasant for no one even if it is a manageable one — and, on the other hand, it will be able to supply unlimited quantities of energy, much greater, that is than those obtainable from solar energy, particularly in our latitudes, nor would it present the difficulty — felt

particularly in the case of electricity produced from solar energy — of discontinuous supplies to which as yet there seems no remedy. This form of energy is therefore all the more attractive.

The Community more or less decided some time ago to follow up only one of the possible routes towards the realization of nuclear fusion. This was a conscious decision in which Parliament did not participate — this is, in fact, the first time Parliament has thoroughly debated the question of nuclear fusion — but one which we approve, since it is impractical to follow up both routes. The Community decided in favour of magnetic confinement, but other countries, like the Soviet Union and the United States of America are also working on concentrating our efforts in a single direction.

It would, however, have been opportune and desirable if, in limiting ourselves to the route of our choice, we would have maintained the lead which we had managed to acquire. Successful Pioneer work was performed some years ago at Fontenay-les-Roses. One should immediately add — since this is apolitical — that, because of the tardiness with which the decisions on the JET site were taken we have now unfortunately lost this lead. We must be absolutely clear about this, hence paragraph 2 of the motion for a resolution makes an explicit reference to the past.

I did not mention — although it is self-evident, since these are inexhaustible sources — that the fuel necessary to fire nuclear fusion is available in unlimited quantities. This is another great advantage, although it also applies to the other two systems, that is to say, fast-breeder reactors and solar energy.

The fuel consists of heavy hydrogen isotopes which, having been turned into plasma at very high temperature, if confined for a sufficiently long period can give rise to fusion. Fusion takes place in the sun and the stars under the confinement of their gravitational forces. In the hydrogen bomb, however, the process is triggered off by a fission explosion which compresses the fuel and this causes the characteristic explosion of the hydrogen bomb. In the technique used for the controlled production of energy — as I mentioned before — there are two possible methods which can be used: magnetic confinement and inertial confinement.

In the field of magnetic confinement, having experimented with a cylindrical or rectilinear container, research moved on to a container in the form of a cylinder folded back upon itself called a torus. This is a tokamak. This solution is favoured because it puts an end to the defects — or losses — at the ends. It is like a closed system. This closed system, the tokamak, is the one to which the greatest effort has been devoted.



Noè

A moment ago I said that the Community used to have a lead, which it lost because of the delay in taking a decision on JET. Now this important piece of equipment, the JET, is under construction, and I think it should start yielding results towards 1985. Recently, however, around 15 August of last year, in Princeton, in a smaller tokamak than the JET a temperature of 60 million degrees was reached. This has to be compared with the 100 million or so held to be necessary for the definitive phase. To have reached this temperature was a very important event because it showed that at this temperature — which is quite close to the final one — plasma ions do not exhibit any anomalies. I repeat, it is an extremely important event, because it disproved the hypothesis that there might be anomalies which would have prevented the extrapolation of previous experience — which would have been very trying. This is why it is so important. At present another tokamak is under construction in America which is quite similar to the JET, but which is expected to give results only in 1983. Thus between 1980 and 1990 have a considerable amount of new information will become available. It will be possible first of all to find out whether ignition can be reached and whether the physical aspects of fusion can be controlled.

I shall not go into great length here on the other aspects; there are other tokamaks with differing features. It would be better if the Community concentrated its efforts on these alternative tokamaks — we saw some of them at Garching three weeks ago — and so on. Clearly it would be best to concentrate our efforts, because it is difficult to undertake research of this kind with limited funds.

I should just like to draw attention to one point — because in my opinion it is a fundamental one — and that is that as soon as we find that fusion is physically controllable, we shall have immediately to proceed with the technological research.

This need is clearly emphasized in paragraph 7 of the resolution. All the knowledge that one might have about fusion on a theoretical level is useless if one is incapable of constructing the equipment with which to carry it out.

I was speaking one day to Professor Palumbo, who is leading the Commission's work on this in Brussels, and he used a very concise, very expressive phrase. He said the first wall might be fusion's Achilles' heel. Let me try to explain why.

Given that no material can resist a temperature of 100 million degrees, the process takes place within a magnetic field — bounded by a wall. Behind this wall there is fused lithium which is used both for cooling and to fertilize tritium, with is the only nuclear element to take part in the whole process. Well now, this first wall has to be made of a material able to support very high temperatures and a neutronic bombardment to which so far no material has been

subjected continuously. There is first of all, then, the problem of the choice of material. Secondly, one must find out now long this material can withstand the thermal and nuclear strain without undergoing change, because clearly, if the life of each wall — the first wall and the others — were too short, the device would have to be shut down extremely frequently, which would be quite intolerable. It is therefore necessary to find out at what intervals the wall has to be changed. This is another important factor. There will therefore be quite a few technological difficulties to overcome. I could mention some of them here. For example, the handling of tritium, which is at present only understood by the military and has not yet been experimented on yet in civil laboratories. The Commission has its programmes, but these programmes have to be put into effect! Then, particularly powerful coils have to be found to create the magnetic fields. All in all there are a large number of technological steps to be taken. This is another aspect of the development of fusion.

We have also said in paragraph 6 that small-size tokamak devices with very strong fields have been put forward by many scientists, and some have already been constructed. There is already a tokamak of this type in Frascati. Others are being designed and looked at closely by the Commission for the simple reason that it is not very expensive and can be built in a short time. Hence it is possible to discover the ignition characteristics over a short period. This is a point, which, in our opinion, merits particular attention, and we have emphasized it in the resolution.

Having said this and having mentioned that the Americans and Russians are continuing to work with 'mirror' cylindrical reactors, which are in principle the simplest type, I would like to say a couple of words, about the fact that the aim they have set themselves is a different one. There is only a passing reference to this in the resolution, and I therefore want to make it quite clear, because it is quite easy to misunderstand.

The Americans and Russians are trying to use the 'mirror' type to produce hybrid reactors, fusion-fission reactors, which will make it possible — if it should prove necessary — to move over from fertile material to fissile material to be used in the nuclear fission. This would extend the life of the reactors which produce radioactive waste. I said before that one of the advantages of fusion is to eliminate radioactive waste. Therefore, I would be contradicting myself if I said I was in favour of this in general terms. However, in view of the difficulty which may be experienced in achieving pure fusion, I think it only prudent that the Commission should give particular attention — I do not say that it should carry out experiments — but that it should have a nucleus of scientists following what is going on in the United States and the Soviet Union: because if, by chance, mankind at some time for a short period, had need of hybrid reactors, it would have the expertise ready and waiting.

Noè

Mr President, in the programme which the Commission submitted to us in September, it took up a rather novel position in comparison with the past. It said — and here I am moving on to the second means of achieving fusion, that of inertial confinement — that, in view of the extremely vast progress made — I would rather say the vast programmes which others, and particularly the United States of America, have carried out in the field of inertial confinement, it is necessary — and on this we are in complete agreement — that the Community should provide itself with a nucleus of technicians able to handle the necessary apparatus. In essence therefore, while not being in a position to carry out the pioneer work, since we are late in starting, we shall at least have the scientists able to provide the Community with a capability in this field, if indeed this field should show itself to be superior to the others.

It is expected that the first results in this field in the United States will be obtained towards 1985 or even later, so that they will be some way behind the others.

Obviously inertial confinement has its advantages and disadvantages with respect to magnetic confinement. I would, however, say that in general the equipment is simpler. That is beyond doubt.

What is inertial confinement? It consists of directing a series of laser beams or electrons on to a pellet (measuring 1 mm across) of deuterium or tritium, which is the fuel, to produce — by means of the pressure exerted — an increase in temperature, an implosion — that is, an explosion towards the inside of the pellet which produces a quantity of energy which must be greater than that put in if the net result is to be positive.

As I have said before, one has to resolve a series of 100 000 connected differential equations to obtain a forecast of the impact of these rays on the fuel pellet. This is in order to find out what part of the rays is reflected, absorbed etc. This is an extremely fascinating field for the scientist.

In conclusion, I shall only say that we approve — as I said before — the position adopted by the Commission, that is its intention to keep itself up-to-date on the second means of achieving fusion.

I should like to say, in conclusion, Mr President, that at the end we have taken up again the question of the delay which was apparent in the past in the choice of a site for JET, expressing the hope that the Council will not create any more obstacles to the decisions to be taken to the Commission. Even though it is true that there are often differences of opinion in this advanced branch of science, Parliament nevertheless asks that decisions should be taken quickly by the Community's institutions, so that the delays which occurred in the past will not have an effect on the future; in this way we can regain our pioneering position — I repeat — at least in the field of magnetic confinement.

**President.** — I call Lord Bessborough to introduce the opinion of the Committee on Budgets.

**Lord Bessborough, draftsman of an opinion.** — Mr President, the matters at issue here are, as Mr Noè has said, highly technical, highly complicated but nonetheless — I agree with him — fascinating. But I am happy to leave these aspects to him, and I think he has dealt with them admirably in his report. I should say that, as a former minister for science, I am favourably disposed to this kind of Community research. Happily, this, too, has been the attitude of Parliament over recent years. But in my remarks I will confine myself to the budgetary, financial and control aspects of the proposal. However, I should say that when it comes to authorizing largely or partly basic research in plasma physics we are certainly making an act of faith.

As far as the Joint European Torus is concerned, the JET, Parliament has made favourable pronouncements over recent years, particularly in so far as the pursuit of new sources of energy is concerned, and we have all been very conscious of the uncertain prospects facing Western Europe. Now that a decision on the siting of the JET project has been taken, we should see that the work goes ahead as fast as possible. Clearly there is a need for a breakthrough in research in this field, but it is equally clear that this calls for a costly effort which must be financed in part at least by the Community budget. I have set out in paragraphs 4 to 15 of the opinion of the Committee on Budgets the background to the proposal and the details contained in the Commission's text. Colleagues will find the conclusions of the Committee on Budgets set out in paragraph 20, on page 37 of the opinion.

Basically the Committee on Budgets is positive in regard to this proposal and noted that the Committee on Energy and Research had also endorsed it. At point (d) of paragraph 20, we considered it appropriate to alter the figures set out in the Commission 9 document (Doc. 508/78). We did this in two ways. First, we rounded up the figure of 217 million units of account for the non-JET part to 220 m u.a., because we were convinced that such figures are of an indicative nature only, and a figure of 217 m u.a. gives a sort of air of perhaps spurious accuracy. Second, we amended the estimate of 131.7 m u.a. for the construction phase of the JET to 145 m u.a. This, of course, is to take account of economic conditions, inflation etc., since January 1977, and this, I think, has been agreed by the Commission experts.

The Committee on Budgets regretted that the proposals contained in Doc. 508/78 came forward so late in 1978. To avoid a repetition of this in the future, we have asked that the review in 1981 be provided not later than 1 July, so that Parliament may have

Noè

adequate time to consider it before the adjustments become operational on 1 January 1982.

The comments made by the Court of Auditors in its recent report on the 1977 accounts do not specifically concern the fusion programme, though they do deal with research generally, and of course the Committee on Budgets will look at these accounts very carefully when examining Lord Bruce's report. I am sorry he is not here, because that is an important report, to which we are paying great attention. In particular, we have asked the Court of Auditors to examine the staff aspect of the Joint Research Centre at Ispra in so far as its work also concerns thermo-nuclear research. As well as this, the Committee on Budgets thought it necessary to remind the Commission of Parliament's responsibility in regard to the control of Community expenditure. It is always well to bring this aspect to the notice, I think, of scientists, although they may not always greatly relish our attention, but in Parliament we are after all the watchdogs of the taxpayer's interests.

Now, coming towards the end, I would like to say that it is necessary in the present case to put in point (i) in paragraph 20, because the Commission failed to mention Parliament's controlling role in its proposals. The Committee on Budgets also believes that the estimates for the JET and the non-JET parts of the programme should be reviewed regularly, and that any revisions attributable to scientific progress or economic development should be brought to our attention promptly. Further, we put forward a few amendments to the text of the proposal for a Council decision. I have explained them already, and I do not think I need to go into them in detail. I can assure the House that they are necessary. Moreover, as the Commissioner knows, his own officials who were present at the meeting of the Committee on Budgets on 1 March found it possible to accept them. I was happy about that.

Finally, it will be necessary to put forward certain other amendments to the motion to take account of our opinion. These do not in any way trespass on the role of the Committee on Energy Research; they only highlight certain control, financial, and budgetary aspects of the question. I have discussed these amendments with Mr Noè, and he accepts them as being appropriate since they reflect our own budgetary preoccupations.

With these remarks, I once again congratulate Senator Noè, and I recommend the proposal to the House for its approval. To save time, as I am afraid I have to catch a plane now, I would like to move the amendments on behalf of the Committee on Budgets. No 2 is verbal only, and has been accepted by the rapporteur. Nos 4 to 7 correct the draft decision and have been accepted by the Commission representatives. I suggest that in view of Amendment No 10 by the European Conservative Group, my amendment No 3

on behalf of the Group, my amendment No 3 on behalf of the Committee on Budgets should be taken as introducing a new paragraph.

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

**Mrs Dunwoody.** — Mr President, I have no difficulty at all in congratulating Mr Noè on another excellent report. I will not pretend that he always takes me with him in every fine degree of explanation of the more complicated scientific subjects, but I always find his lucid explanations extremely interesting to listen to, and I think his commitment is not only well known but very much appreciated by this Parliament.

We are in agreement with the report and with the motion for a resolution. I do not need, on behalf of the Socialist Group, to say in any great detail how strongly we support the Community's nuclear fusion research programme. We have made this very clear in many debates in this Chamber, even during the debates on the site of the JET project.

We have before us a series of amendments, mostly of course from the Conservative Group. Many of these have very little effect on the text. However, we should just like to mention amendment No 8 tabled by Mr Osborn. This is a rather endearing exposition of Conservative thought, inasmuch as it says that the Commission should 'ensure success in this field'. I am sure, Mr President, that all Members would agree that it would be a wonderful world in which 13 politicians seated round a table could, all by themselves, ensure the success of one of the most difficult technological projects yet undertaken. Unfortunately, this is not the case, and even our scientific experts are not certain that fusion technology will be mastered. We would therefore suggest to Mr Osborn with the greatest respect that he withdraw this amendment and leave Mr Noè's original text, which merely hopes that the Commission's efforts will meet with success.

Finally, I can only say this to Mr Noè: if only the degree of intelligence that he always demonstrates in his discussion of scientific subjects were generally displayed in the debates of this Parliament, how much better our work would be!

**President.** — I call Mr Osborn to speak on behalf of the European Conservative Group.

**Mr Osborn.** — Mr President, this debate is about a very important subject but a subject which is still speculative, and although I speak for the Conservative Group. I must inevitably in this highly complex field express personal views. On the other hand, they come from a person who is aware of the technology of this subject and would compare it with the technology of the nuclear and fast-breeder programme, which is on the verge of commercial viability, though I accept that fusion is still conjectural.

## Osborn

I must first congratulate Mr Brunner and his team on their review of a most complex subject. My little knowledge — and I confess that a little knowledge is sometimes a dangerous thing — causes me to express my admiration for the way the Commission and its team have viewed this complex field. Senator Noè has shown his scientific and academic competence in this field once again, and I also express my admiration of Lord Bessborough and the Committee on Budgets for their endeavours to monitor expenditure in this field.

This week some of the new Conservative candidates came to Strasbourg for the first time, and, if I may say so, by July 17 I shall have been a member of the Committee on Energy and Research of this Parliament for four-and-a-half years. I must confess that in my view the method of working in the committee is such that few of its members, and I include myself amongst them, have an adequate comprehension of what is involved, of the nature of the conflict between scientists in Britain, Germany, France and Italy, let alone Japan, the Soviet Union and the United States of America. This is a rapidly changing sphere of scientific development. The scale of public expenditure on fusion could well surpass that of any conventional nuclear energy programme, and it requires over the rest of this century a competent comprehension and scrutiny not only from this European Parliament but from the appropriate committees in national parliaments.

Investments and experiments in this field represent an act of faith in the future. The ideas and concepts of scientists provide a bottomless pit for public funds, including Community and national government funds. Democratically elected bodies, whether they be national parliaments or this European Parliament, are not the best-equipped institutions to monitor the intricacies of a European fusion programme, the merits and demerits of ohmic heating, injection heating or the use of lasers, outlined by Senator Noè.

The Conservative Group are concerned about the scale of public expenditure, but there is a danger that any cutback is inclined to hit long-term research programmes, particularly if they are basic programmes, and in this field it is much more difficult to determine where applied programmes stop and basic programmes begin. If there was a field, however, where a Community programme would be justified as against a number of competing national programmes in order to reduce the burden falling on the tax-payers of the Community, surely a fusion programme must provide the best example. How right the Commission are to remind the Parliament that the early cost of the present fusion programme is comparable to that of one day's oil consumption in the Community! But his Community programme is to too great an extent looked at in isolation — as happens in many other scientific fields for that matter — without an adequate

appreciation of the work from national resources promoting specific fields of development, say, at Culham, Garching, Fonetay and elsewhere.

After direct elections, I would like to see the Commission — I have said this in other fields — not only assess what is happening within Member States of the Community but accept a much greater responsibility for *actions indirectes and actions concertées*. When the Committee on Budgets was considering this I asked what the current programme was costing. The figure is 745 million EUA, including, 588 million for present activities. In paragraphs 10 and 11 of the Budgets Committee's opinion, we are told that Community participation is estimated at 217 million units of account, while the cost of the JET project alone will be over 131 million units of account in 1979-83 — a total of over 348 million EUA. But these estimates outside the Community programme, and I would like clarification from Mr Brunner on this.

The total scale of the Community programme is not understood, nor is the cost. It is not known how this compares with the US Department of Energy's fusion budget of approximately 1 150 million units of account, i.e., 1 265 million dollars. They have published their figures for the two years 1978-79: 1978 payments, 325 million dollars; commitments, 279 million dollars; commitments, 327 million dollars.

The Commission document adequately describes the technologies, the lines of research, of the Community programme. It refers to programmes in the Member States, in Switzerland and Sweden as well as in the United States, Soviet Union and Japan.

Somewhere there is a possibility of a breakthrough which will make one day a fusion reactor feasible, and I have a feeling that every scientific establishment in this field, every country wants its own Tokamak. Senator Noè and the committee are contradictory and in fact, as a political commitment, I have my doubts about paragraphs 5, 6 and 7. There is a danger that politicians may well find themselves teaching their grandmothers to suck eggs, which means in this case telling scientists how to do their job.

The Conservative Group wish to accelerate a positive policy, and that is why they regret the negative approach in paragraph 2 of the resolution. The amendments we have put forward — Lord Bessborough has put them forward on behalf of the Committee on Budgets — are threefold. Amendment No 8 is brought in because there are other methods of going forward other than the Tokamak — perhaps inertial confinement: perhaps the scientists want this rather than Mrs Dunwoody's typical Socialist slant on an occasion where I thought we could try and regard this on an all-party basis, and therefore, in the interests of the concern of scientists, I have no intention of withdrawing Amendment No 8.

## Osborn

Amendment No 9 refers to a fusion programme and introduces a correction. No 10 is a little more precise and achieves a more moderate approach.

Mr President, I know I have exhausted my time, but I hope the directly-elected Parliament, together with scientific members of national parliaments, will in this and in other scientific fields of intensive interest be able to hold hearings and presentations at all the centres where this type of work is progressing. I have listed them here, but I will not read them out now. They include Sweden and Switzerland as well as the Soviet Union and the United States of America, let alone various laboratories in the Community.

The scale of this conjectural exercise is large; it is to be hoped that it will be successful. There are many possible alternative routes. I congratulate Senator Noè on his report and the Commission on their report of progress so far, and I hope it continues successfully.

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

**Mr Veronesi.** — (I) Mr President, I will confine myself to the political aspects of the proposal since we are short of time and in any case this is not the place for a technical evaluation.

We fully approve the Commission's proposal which we consider to be a valuable, well planned document offering an up-to-date, comprehensive view of the problems involved and thus enabling us to express an informed opinion. We shall also vote for the motion for a resolution which, we feel, covers the basic aspects of the issues concerned.

There are, however, a few points which I should like to put to the Commissioner. Firstly, the fact that at least 3 000 people are engaged in the project, including some 860 professionals, and such a large financial commitment has been made, illustrates what an enormous challenge the Community has taken on in this sector. A serious problem arises as to how this huge undertaking can be managed without monitoring the activity of the scientists or encroaching on their freedom, yet at the same time ensuring steady, harmonious progress and finding solutions to the various difficulties which are bound to arise in an undertaking of this kind. We are particularly concerned at the comment in paragraph 24 of the Commission's proposal concerning the rise in the average age of staff; since the project is long-term, provision should be made for the recruitment of young scientists to ensure that the programme can be carried through successfully.

The second point concerns cooperation between a large number of institutes and laboratories. This is of fundamental importance. Yet, there has been serious failure to cooperate in this sector in the past, for example in the case of the European satellite carrier project. If the mistakes of the past are to be avoided, it

is therefore essential for the Commission to be fully informed of any difficulties which may arise in coordinating the work of all these laboratories.

Thirdly, the programme categorically excludes — and one can detect a note of bitterness here — any significant research in the field of inertial confinement. Two countries are opposed to such research because of military aspects. This is a very serious situation, and we regret that military considerations should have been regarded as more important than the success of a major project designed to benefit mankind. We could have understood the argument that inertial confinement was too costly and outside the Community's financial scope. However, I must say that during yesterday's debate I was particularly struck by the emphasis placed on energy as one of the Community's main problems. If it really is a major problem, then surely it calls for exceptional measures such as research on inertial confinement. It is also worth reflecting on the fact that — and I mention this without wishing to be unduly simplistic or court popular favour — as was pointed out at the last United Nations Conference on this subject, world military expenditure amounts to 400 million units of account daily. Surely some of this could be diverted to peaceful projects!

Finally, there is the question of collaboration with those outside the Community. On 7 January 1979 an Italian newspaper, *il Fiorino*, referred to a report drawn up for the United States' Trilateral Committee by 250 scientists from the United States itself, Japan and the Federal Republic of Germany. The report, entitled 'Energy: how to organize the transitional periods', proposes wide-ranging collaboration with the countries of Eastern Europe, notably the Soviet Union, in dealing with the present energy problems and it calls on President Carter to take appropriate initiatives. The International *Herald Tribune* of 23 January 1979 and the Italian paper *24 Ore* of 24 January 1979 reported a proposal for collaboration put forward on behalf of the Soviet Government by the physicist Velikov at a meeting of the International Atomic Energy Agency in Vienna in November 1978.

The proposal concerns joint research into nuclear fusion by the United States, Japan and the Soviet Union. A preliminary meeting was held in Vienna from 5 to 16 February this year. *Agency Europe* of 26 February reported that the outcome of the meeting was a plan for a large-scale INTOR study (International Tokamak Reactor): this is the only information available to us at the moment, and we should like to have further details. This is an extremely important initiative at a time of great international difficulty and tension between the major powers: as an instrument of dialogue and cooperation it could contribute to peace, collaboration and international détente. In view of this, the Community should actively promote and

Veronesi

support it. We are therefore requesting the Community to take appropriate steps to encourage this extremely important proposal for collaboration.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, once more we have occasion to thank the Parliament. You will remember that it was thanks to your support that we were able to realize the fusion project known as JET. That was a long struggle, and the project is developing normally. We shall be proceeding to the formal opening in the second half of May, and we very much hope that the Parliament, which made this project possible, will be able to take part in this event in one form or another.

Mr Noè is to be thanked for his clear report. I share his view that laser fusion technology is interesting; we too intend to keep our options here open. The doubts occasionally expressed on this subject are not of an economic nature. With regard to fusion research, we must proceed with caution but with a definite aim in mind; future developments cannot be predicted with exactitude, but the results already obtained suggest that by the beginning of the next century we shall quite possibly be in a position to open up a source of energy which has so far not been available. This is what we must work for, and we are open to every form of cooperation with third countries, including the United States, Japan and the Soviet Union. We have already set up, under the Agency in Vienna, a working-group in which such cooperation can be carried out. Fusion research will entail considerable expenditure, and we must think over in good time how this burden will have to be distributed.

A few words in reply to Mr Osborn. In our view, an overlapping of expenditure with national projects in the sphere of fusion research is prevented by the fact that this is a unique situation in European research. In this particular field of fusion research, there is only one single European research programme: in part it is being carried out in national laboratories, but the Commission, and so the European Community, is always involved in this work. From the very beginning, therefore, we have been able to ensure in this field a very high degree of coordination which excludes the possibility of competition or of an unnecessary doubling of expenditure. In answer to his question, therefore, I can say unreservedly that there is no jostling here between the European and national programmes.

Lord Bessborough has proposed a number of amendments, and these we can accept.

**President.** — I note that no one else wishes to speak. The motion for a resolution will be put to the vote — together with the amendments which have been moved — at the end of the sitting.

The debate is closed.

### 7. Confiscation of political material at the German frontier

**President.** — The next item is the oral question (Doc. 660/78) with debate by Mr Spinelli, Mr Galluzzi, Mr Mascagni, Mr Sandri and Mr Veronesi, to the Commission:

Subject: Confiscation of political material at the German Frontier

Does not the Commission think that the confiscation at the Basle frontier between the Federal Republic of Germany and Switzerland on 19 October 1978 of 9 copies of the book 'I partiti comunisti dell'Europa occidentale' by Antonio Rubbi and 7 copies of the book 'La Romania' edited by Arnaldo Alberti, by customs officials of the Federal Republic of Germany, to the detriment of the Italian publisher Nicolo Teti, constitutes a clear violation of the fundamental principles of the Treaty of Rome and is contrary to the Customs Union between the Member States, since

- (1) German internal legislation does not provide for any kind of censure of political literature;
- (2) the confiscated material was intended for exhibition at the official stand of the Teti publishing house at the Frankfurt International Book Fair;
- (3) for the very reason that the books were for exhibition, they should not have been subject to any kind of taxation or control — or indeed customs duty — and the publisher was therefore perfectly entitled to state 'nothing to declare';
- (4) no legitimate reason was given for confiscation of the material and the high-handedness of the action was borne out by the fact that, following intervention by the Italian Publishers' Association and the Frankfurt Book Fair, the authorities at the Basle Customs Post stated their willingness to return the books provided that the publisher arranged to collect them personally;

Having regard to this situation, how does the Commission intend to prevent the recurrence of similar infringements in the Member States in the future and finally, what measures does it intend to take to ensure that the Teti publishers receive compensation for the moral and material damage caused by the action of the German administration?

I call Mr Spinelli.

**Mr Spinelli.** — (I) Mr President, I shall be brief since this matter has already been discussed before a larger Assembly than now. On that occasion, Commissioner Vredeling read out an answer prepared by his departments which, not realizing the interest this issue would arouse in Parliament, gave a somewhat superficial and inaccurate reply. It was decided at the request of Commissioner Vredeling himself that the matter would be discussed again at a later date when the Commission could give an informed answer and provide assurances that such a situation would not recur.

## Spinelli

I also wanted to know the position concerning compensation for the publishing house which was prevented by the seizure of the books from bringing them to Frankfurt for one of the most important book fairs. When the authorities cause damage, they are supposed to provide compensation, and in this case the Community, and particularly the Commission, is responsible. I should therefore like to have the Commission's final answer on this question.

**Mr President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, what we have here is a relatively unimportant incident, which we have investigated. Formally speaking, there was no violation of the law, although, of course, it is to be regretted that we still have these regulations on the levying of duties between Member States, which should have disappeared long ago. We gained the impression that the discussion which arose between the customs official and the Italian traveller failed perhaps to produce any particular degree of mutual understanding. At all events, the customs official was formally correct in stating that the books concerned were intended for commercial use in an exhibition. All he demanded was the payment of a duty, which he fixed at 20 Marks. The traveller considered this to be incorrect and refused to pay, whereupon the customs official retained possession of the books. The higher authority appealed to stated that the books could be collected and that the matter of the duty would be dropped. That is all, and the information we have subsequently collected offers no grounds for any substantial departure from the answer giving during Question Time.

**President.** — I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — (D) Mr President, it is unfortunate that we still have these regrettable formalities entailing the payment of duties on the frontiers within the Community and that customs officials still have to be employed there. As regards this particular instance, however, we have first of all to note that a citizen of a Member State of the Community travelled to another Member State of the Community but entered it from an external frontier of the Community, though I would not regard this as a decisive criterion in the matter. One may well have one's doubts — and Mr Brunner has already hinted at this — whether the official necessarily had to intervene or, having once intervened, behave as he did; but for me there is no doubt that he was entitled to do so. We all know, Mr President, how things go when police officials intervene in traffic problems, for example, or customs officials take action. He was indeed entitled to behave as he did.

May I now, as a German Member of the European Parliament, quote what the Federal Minister of

Finance has written to me on the subject in reply to my request for information? I think it throws an interesting light on the subject:

The customs official in charge put a broad interpretation on the brochures and books, decided to treat them as specimen copies and did not exact any import duty. Prospectuses, being advertisements, are duty-free, but the printed matter intended for commercial use was not declared, despite the provisions of paragraph 6 (1) of the Federal German Customs Act.

The point was, therefore, not that any duties were leviable but that the goods were to be declared so that a decision could be made as to whether any duties were leviable.

I would now like to address the following question to Mr Spinelli. In view of this information from the Federal Ministers of Finance, do the authors of the question seriously wish to maintain that this incident — and I quote from the text of the question — 'constitutes a clear violation of the fundamental principles of the Treaty of Rome'? I must reject as an insult the suggestion contained in the question that political censorship was here being practised. If the official had wished to impose a political censorship — and according to German law he was certainly not entitled to do so — he would have refused to allow this literature to be imported or he would have confiscated it, and this he did not do. Only at the end, when a dispute had arisen between him and Mr Teti, did he keep it back as a security for the procedure that now seemed to him to be necessary.

I really think, Mr President, that one should not make a mountain out of a molehill and turn this incident into a violation of the Treaties. I should be very glad, Mr Spinelli, if in future you could devote your European *engagement*, which I hold in such high esteem, to tackling, together with others and myself, what should be our real task — that of ensuring that customs officials are made superfluous on our internal frontiers and transferred to the external frontiers of the Community.

**President.** — I call Mr Fletcher-Cooke to speak on behalf of the European Conservative Group.

**Mr Fletcher-Cooke.** — I supported Mr Spinelli previously on this matter, and I still think he was quite right to raise it. It struck me that it needed further enquiry, because at first it appeared a very serious breach of at least the spirit if not the letter of the Community. But it seems that this was an entirely legal action by the customs officer. It is still obscure as to what is meant by the word 'fee', for such was the translation in English. The word was not 'duty' as it came over the microphone, but 'fee'. I still do not know why a fee is leviable on the import of books. To my mind, any amount of money levied on the sources of knowledge, provided it is not obscene, is in itself wrong, but it apparently is the law in Germany that

**Fletcher-Cooke**

you are entitled to charge customs duty on books, and so long as that is the case, unfortunately, then it must be paid — and all the more so because in this case the frontier was not between one member country and another, but between Switzerland and Germany. Although that may seem to be a technicality, it has a reality about it. It seems to me, therefore, that it would be a good thing to drop this matter now, but I am quite sure Mr Spinelli was right to have raised it and have it aired.

**President.** — I call Mr Spinelli.

**Mr Spinelli.** — (I) I hope that this discussion in the European Parliament will serve to draw the attention of the customs officials in the various countries to the existence of a customs union.

In this particular case, the German customs authorities acknowledged that their action was unjustified by subsequently indicating their willingness to return the confiscated books without taxing them, confining themselves to the discourtesy of telling the publisher to collect them himself.

Various incidents of this kind occur at other Community frontiers. Only yesterday I was told that at the Luxembourg/French border travellers are asked, without any right whatever, to give information concerning their occupation.

At the Italian border, there is a special lane for travellers who have nothing to declare but the customs officials have seen fit to close this, and all traffic is directed into another lane where a declaration has to be made. These are petty incidents, but during the years when my responsibilities included the Community customs, I observed that our national customs authorities still tend to hold onto meaningless prerogatives of the past.

I should not like to see a repetition at customs level of Ionesco's rhinoceros play, in which every time a rhinoceros appears, it is argued that since it is only a small one and no harm to anyone, it should be allowed to move about freely, until eventually there are so many rhinoceroses that they are in a position to impose their will on all.

I therefore request the Commission to ensure that in future all the national authorities — since this incident is not peculiar to the German customs — fully respect the Community's customs union.

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

#### 8. *Death of Jean Monnet*

**President.** — Honourable Members, I very much regret that I have to inform you of the death of Jean Monnet, an architect of the first European Community and a founding father of Europe.

The European Parliament is intensely aware of the stature of Jean Monnet and the importance of what he

achieved, and will always remember him with profound respect.

At its next part-session, Parliament will have the opportunity to pay full tribute to the memory of Jean Monnet. For the present, I shall do no more than convey our deepest sympathy to the members of his family.

#### 9. *Directives on the indication of energy consumption of domestic appliances*

**President.** — The next item is the report (Doc. 971/78) drawn up by Mr Lamberts on behalf of the Committee on Energy and Research, on the

proposals from the Commission to the Council for :

- I. a directive on the indication by labelling of the energy consumption of domestic appliances ;
- II. a directive applying to electric ovens the Council Directive on the indication by labelling of the energy consumption of domestic appliances.

Mr Lezzi, the deputy rapporteur, does not wish to make an introductory statement. I call Mr Albers to speak on behalf of the Socialist Group.

**Mr Albers.** — (NL) Mr President, I should like to make a number of comments on these proposals which we wish to endorse because we find that the concept behind them is worthy of support. We take the view that the first priority of an energy policy must be to save energy. There are two reasons for our view. We believe that even if we are successful over the next few decades in our research into new energy sources, we cannot expect the new energy sources to meet more than a small percentage of our energy requirements. We shall therefore be forced to continue deriving energy from fuels which will become increasingly scarce, and we must endeavour to make ends meet for as long as possible by reducing consumption and above all by reducing wastage.

In most cases it is, furthermore, less expensive to save energy than to develop new alternative sources.

After the 1973 oil crisis the Commission submitted a number of proposals, and we support the view of the Committee on Energy and Research that these proposals are inadequate. If the real objective is to reduce the rate of energy consumption below that of economic growth, then other proposals with a greater effect on consumption will have to be submitted.

We have noted that the European Council has discussed this subject. We have heard the President-in-Official of the Council say that a reduction in energy consumption must not entail a cutback in our economic growth. Now, we are all aware of the problems which the Community has faced during the last few years as a result of slow economic growth. The most serious problems are unemployment and the decline of some of our industries.



## Albers

But just as important is the fact that our governments have been obliged to curtail their social programmes with respect to such matters as better education, improved health care, higher pensions for workers, etc. We are in favour of a certain increase in economic growth. But such economic growth must be different from that which we have experienced in the past. We cannot continue our excessive exploitation of the world's resources of raw materials, and certainly not of our energy resources as we have done hitherto.

Consequently, we must concentrate on the qualitative aspects of growth. We must improve the quality of life rather than increase the number of our possessions, producing an ever-increasing number of unnecessary consumer goods. Above all, we must consider the problem of consumer goods which consume too much energy.

I shall not go into the proposals in any more detail, but on behalf of my group I should like to emphasize three points. We feel that at the moment electric ovens are not the most important domestic appliances with which we have to deal. Many others, such as water heaters, washing machines and the like, are much more important in that respect.

We are encouraged to note that in its 1979 programme the Commission has undertaken to submit more proposals in this sphere. We do not feel that it is sufficient to issue directives for the Community which make the Member States responsible for the manner of their implementation. We therefore support the amendment which is designed to ensure that proper labelling is introduced in the whole Community within a period of two years. In this matter we are acting in line with the European Consumers' Organization.

Finally, none of these directives on labelling will mean anything, whatever labels are used and however clearly they are worded, without a simultaneous intensive information campaign which makes consumers aware of what is at issue. Such a campaign must make use of newspapers, radio and television. We could therefore like to see the Commission recommending that all the Member States pursue a coordinated campaign to save energy.

**President.** — I call Mr Osborn to speak on behalf of the European Conservative Group.

**Mr Osborn.** — Mr President, when this came up in committee, there were many aspects that the committee did not like. First of all, however, the Conservative Group endorses the general tenor of this report introduced by Mr Albers in support of the rapporteur, Mr Lamberts. In particular, we were interested in paragraphs 2 and 3 of the motion for a resolution, fearing that the labelling proposed is inadequate and calling on the Commission to consider some other, amplier and clearer form of consumer information.

The Commission has endeavoured to undertake some rationalization — I hesitate to use the word 'harmonization' — in the interests of the consumer. In the first paragraph of his explanatory statement, Mr Lamberts expresses the view that

any measures designated to reduce energy consumption will always have the fundamental support of the European Parliament. Wastage of this expensive and scarce commodity is irresponsible and must be prevented, especially when the *same* performance can be achieved for less power consumed.

In committee, I pointed out that I made my maiden speech in 1960 on natural gas, and it was not then known that there would be a gas grid or that there was gas in the North Sea. That speech dealt with the cheapest method of heating a house, and I compared the merits and demerits of electricity, of gas with a grid and natural gas as a possibility, with Sahara gas coming in, and of oil. Twenty years ago, I chose oil as providing the cheapest solution. In 1980, it is the most expensive.

The parallel as far as electrical goods are concerned is that you can put any label onto an item, but you have to know that there is a proper method of measuring the energy consumed. I find this very complicated with regard to washing-machines, for instance: is a washing-machine that washes more slowly over a period of some tens of minutes or hours more economical in consumption than one that does the job quickly? The consumption of electricity therefore concerns a programme and time, and the time and the rate of power consumption are all-important factors. What I and the Conservative Group support is an endeavour to measure the consumption of electricity, to compare this consumption by agreed standards, and I would implore the Commission to make use of the electrical goods industry to assess this consumption and make quite certain that whatever is undertaken results in the offering of good, not false, advice to the consumer.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) These two directives, which you support, represent a very important step. You will appreciate the full truth of this if you reflect that domestic appliances in the Community account for 5% of the energy consumption in Europe. Since this is equivalent to 900 million tonnes of oil a year, it is easy to calculate that domestic appliances consume the equivalent of 4.5 million tonnes. It would be a great achievement if, by means of these directives, we could launch a new movement for energy-saving, for this would mean that by 1990, 1% of the Community's energy consumption could be saved through the improved application of domestic appliances. These are therefore not bagatelles but part of the work of enlightening the man in the street, who must be made aware that the hour has

**Brunner**

struck, that the energy situation has brought us to the end of the society of abundance in Europe.

We have the choice of two forms for these directives: either a regulation imposing the same obligations on all, or one that left an option open. We have decided in favour of the more flexible form, but this means that each Member State, in its legislation, must refrain from anything which contradicts the directive. To that extent we have here another measure harmonizing the laws of the Community.

Finally, this form of directive is calculated to promote trade in the Community and therefore it was not possible to take account of price controls in the labelling. These vary in the Community, because electricity tariffs also vary in the Community. We therefore ask you to understand that this could not be done.

**President.** — I note that no one else wishes to speak. The motion for a resolution will be put to the vote — as it stands — at the end of the sitting.

The debate is closed.

#### 10. *Gravelines and Manom nuclear power stations*

**President.** — The next item is the oral question (Doc. 657/78) without debate, by Mr Vandewiele, Mr Bertrand, Mr Dewulf, Mr Noë, Mr H-W Müller and Mr Vergeer, To the Commission.

Subject: Siting of the Gravelines and Manom nuclear power-stations

On 7 February 1979 the head of a Community Member State decided to expand and step up the construction of the nuclear power-stations, and even of a nuclear complex, to be located in Gravelines on the border between France and Belgium and in Manom on the Moselle, in the immediate vicinity of the border between Germany and Luxembourg.

What steps has the Commission taken to obtain information from the Member State in question regarding the siting of nuclear power stations along Community frontiers, in view of the resolution unanimously adopted by the European Parliament and contained in the report by Mrs Walz on the siting of nuclear power stations (Doc. 392/75)?

I call Mr Müller.

**Mr Hans-Werner Müller.** — (D) Mr President, ladies and gentlemen, on behalf of Mr Vandewiele, I should like to supplement the question tabled by us on the location of nuclear power-stations with a few introductory remarks.

In order to prevent any misunderstandings, I should like to state straight away that the question we have tabled is not to be interpreted as implying a rejection of nuclear energy — I personally consider nuclear energy to be indispensable — but is a challenge to objectivize the discussion on nuclear power-stations in view of the present energy situation. Attention has

already been drawn in this House to the fact that the feeling aroused by questions concerning the industrial use of nuclear energy, which today stands in the way of any objective discussion of the subject, has been progressively growing as the realization of the dangers to the environment and to life as a whole in our industrial society has developed into a problem of central importance and pervaded the public consciousness. For many of our fellow citizens, nuclear power-stations are nothing but atomic bombs wrapped up in silver paper. One important aspect which clearly contributes to the general feeling of uncertainty is the policy governing the choice of sites for power-stations, nuclear and other, which present a threat to the environment; and in point of fact, if one were to pinpoint the actual or planned sites of power-stations on a map of Europe, one would immediately notice a sinister accumulation along both the internal and the external frontiers of the Community. From this it is tempting to conclude that the intention is to divert the possible effects of such installations to the territory hence to the population of neighbouring countries.

Such an observation must surely put us on our guard. The problem is in itself not a new one, but, for the reasons indicated in the question, we felt it necessary to raise it once more: a certain Member State has chosen a site at Gravelines which one more affects a frontier area, while the other site mentioned in the question, Manom or Cattenom, concerns the area where the territories of three countries, Germany, France and Luxembourg, meet.

The Council of Ministers once drew up a document on questions concerning the choice of sites for power-stations, while the Commission has submitted a proposal for the creation of a Community consultation procedure. This was welcomed by Parliament in the report submitted by Mrs Walz, since transparency in decisions on the choice of sites would make political discussions a great deal easier. In addition Parliament called for a Community consultation procedure on the choice of sites for nuclear power-stations as a first step towards establishing common criteria in these matters. We now ask the question, what has happened to these proposals?

Having mentioned this harmonization of the considerations governing the choice of sites as a first step, I should like, for completeness' sake, to mention a second step, which would be the adoption of the same safety standards for all Member States. A third step would be the establishment of the same legal rights for the population of the country in which a power-station was situated and for the population of neighbouring countries. Finally, the fourth step would be to establish the extent of liability for damage, including delayed effects.

Mr President, a satisfactory answer to these questions would greatly help to make more objective the discussion on nuclear power-stations.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, Mr Müller has raised the most important points. Naturally, for sensible people in Europe who belong to a Community, the right thing to do would be to reach agreement on the choice of sites for power-stations. We have submitted a proposal along these lines, but the Council took the view that an exchange of experience was sufficient. We are not of this opinion and we shall insist on the need for reaching agreement. These power-stations are everywhere to be found situated along the frontiers. One of the reasons for this is that rivers often provide a natural frontier and are required for the cooling process; even so, we should discuss these matters with one another. As regards the two power-stations we are discussing here, the distance to the frontier is in the one case 20 km and in the other 12 km to the Luxembourg frontier and 8 km to the German frontier. It would therefore be only sensible to discuss such matters together. It is our intention to submit further proposals to the Council.

**President.** — I call Mr Dewulf.

**Mr Dewulf.** — (NL) With respect to the siting of nuclear power stations in coastal regions, which is extremely important from the point of view of the fishing and tourist industries, I should like to ask the Commissioner if he does not also take the view that urgent measures are required to prevent the harmful consequences thereof — I am thinking of the thermal and nuclear pollution of the seawater.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, this, of course, would be desirable too, but it is a somewhat different subject from that of reaching agreement in frontier regions. Here it is mainly a matter of the environment. Such a matter must, of course, be carefully considered. We have already submitted proposals as part of the Community's activities on the environment, and we shall continue our work on these proposals.

**President.** — This item is concluded.

#### 11. Regulations on food aid

**President.** — The next item is the report (Doc. 669/78) drawn up by Mr Lezzi, on behalf of the Committee on Development and Cooperation, on the proposals from the Commission to the Council for:

- I. a regulation on management of food aid;
- II. a regulation amending Regulations (EEC) Nos 2052/69, 1703/72 and 2681/74 on Community financing of expenditure incurred in respect of the supply of agricultural products as food aid and repealing Decisions 335/72/EEC.

I call Mr Lezzi.

**Mr Lezzi, rapporteur.** — (I) Mr President, I would remind the House that last November Parliament

expressed an opinion — largely favourable — on the Commission's communication on the procedures for the management of food aid aimed at avoiding delays caused by cumbersome procedures which were certainly not the Commission's fault. The problem was, and still is, not only how to speed up the procedures but to ensure that the aid does actually reach those for whom it is intended. This calls for thorough assessment of reports by those responsible for food aid and by recipient organizations. There must be a general evaluation of the criteria and procedures for assessment of the results and adequate staffing of the Commission's departments responsible for food aid.

On the last occasion — the November 1978 part-session — Parliament expressed a favourable opinion on a point which I consider to be of major importance, namely the division of responsibilities between the Council and the Commission in the matter of food aid, and it also agreed that the Commission should decide on the annual or multiannual allocation of the quantities available and the size of the reserve, the financing of expenditure incurred in respect of the derived products to be supplied as food aid and all matters relating to transport. An interesting debate developed on the legal basis for the management of food aid. The Commission opted for Article 43 while Parliament, in full agreement with the Committee on Development and Cooperation and the Committee on Budgets, took the view that food aid should be based on Article 235 — on which technical and financial aid for the non-associated developing countries is also based — so that a clear distinction could be made between the aims of the agricultural policy and those of the food aid policy and food aid planned in the context of development aid instead of depending on the agricultural policy. Differences of opinion also arose concerning the Committee on Food Aid. The Commission proposed that this should be chaired by a representative of the Commission and composed of representatives of the Member States, and that in the event of disagreement between the Commission and the Committee, the Commission's powers should revert to the Council so that the Commission would not have the final word on food aid.

The proposal we are now considering goes much further because the Commission has decided to adopt — to a very large extent — the opinions and proposals put forward by Parliament, the Committee on Development and Cooperation and the Committee on Budgets. Firstly, in Articles 1 to 3 of Title I of the Regulation, the Commission shows that food aid policy is one of the essential aspects of development cooperation and at the same time, takes a step forward, albeit hesitant — which, although it does not satisfy Mr Lezzi, satisfies the rapporteur of the Committee on Development and Cooperation — by

Lezzi

stating that a composite legal basis should be adopted made up of Article 43 and 235 of the EEC Treaty, thus recognizing that the agricultural policy and the food aid policy are founded on different concepts. The Committee on Development and Cooperation, particularly through Mr Dewulf's amendment, emphasizes the voluntary aspect of the food aid policy and consequently the non-automatic nature of its financing which should be classified as non-compulsory spending.

The Committee on Development and Cooperation also reiterates in repeal context that it is the responsibility of the budgetary authority, and not only of the Council, to decide on the financial contribution to be made by the Community and to translate it into annual or multiannual global quantities on the basis of the food aid products defined by the Council. The new content of the aid should also be reflected in the budgetary sphere, and the committee consequently endorses the Commission's intention to group together all food aid appropriations under Title 9 of the general budget. The Committee on Development and Cooperation therefore approves the proposals for the amendment of the Community regulations concerned and the repeal of Decision No 72/335/EEC. Disagreement still persists between the Commission and Parliament on how the proposed Committee on Food Aid should operate. Parliament continues to take the view that the committee should serve in an advisory capacity, and that in the event of disagreement between the Commission and the committee, the Commission and not the Council should have the final word.

I think it may be said that, in view of the gloomy forecasts for the next few years which unfortunately predict a deficit of 130 million tonnes of cereals and foodstuffs, the food aid policy definitely needs to be reviewed, particularly in the light of these new procedures requested by Parliament which we hope will give the necessary impetus to the food aid policy in the context of development cooperation.

The Commission's proposals are certainly praiseworthy; new initiatives need to be taken; in particular, it should be appreciated that Parliament interprets in a special way the needs of the whole world, both developed and undeveloped. In Italy, which certainly does not abound in economic resources, a wide-ranging debate has developed in recent months as a result of the praiseworthy initiative of the radical deputy, Mr Panella, who went on hunger strike in support of children condemned to die of starvation. This was certainly a very positive factor in arousing the awareness of public opinion. The matter did not end with a demonstration, though of course this had an important moral significance and included all shades of political opinion. The Italian Government was also asked to play its part in certain initiatives.

In the light of what we said, and particularly what was said by so many of our colleagues who spoke with the

authority of their direct experience and knowledge, during the debate of November 1978, we now wish to express a favourable opinion which is further confirmed by the 11 amendments tabled by the Committee on Budgets. We have no hesitation in supporting these amendments as a whole, with the exception of No 11, which refers to Article 235 as the legal basis for the food aid policy. The Committee on Development and Cooperation is convinced that the composite legal basis proposed by the Commission is the most appropriate in the light of the Dewulf amendment incorporated into paragraph 6 of the motion for a resolution.

**President.** — I call Mr Lange to present the opinion of the Committee on Budgets.

**Mr Lange, Chairman of the Committee on Budgets.** — (D) Mr President, ladies and gentlemen, at this point I have to take over the job which should have been done by Mr Scott-Hopkins as draftsman of the opinion of the Committee on Budgets. It is made somewhat easier for me by the fact that Mr Lezzi has pointed out how much the Parliament is in agreement on a number of questions, so that there is no need for me to explain a whole series of proposals for additions by the Committee on Budgets (I deliberately do not call them proposals for amendment): Mr Lezzi has practically given them his approval. There is only one difference, to which he referred in this conclusion, and I should like to go into this matter once more.

For a long time now we have been striving to separate food-aid policy, which is a part of development aid, from the common agricultural policy; and if we are to be serious about this, then Commission and Parliament, and the Council too, should abandon the practice of extending the legal basis for the agricultural policy to food-aid policy. This practice seems to me to be essentially contradictory. Food-aid policy can only be based on Article 235 and not on Article 43, irrespective of whether legal measures adopted in the past, which were also based on Article 43, can be legally disputed, as the Commissioner responsible has done on other occasions; I do not share this view.

I want to make a further point since the beginning of this decade, when I was also a member of the Committee on External Economic Relations, which was involved in the question of food aid, we have taken the view that our food-aid policy cannot be based on the surpluses resulting from a more or less erroneous agricultural policy: this question must be treated entirely separately, and Mr Lezzi has already referred to future developments in the light of the possibility that we no longer have surpluses in certain fields of the agricultural policy. Then we shall have to carry out our food-aid policy by buying the food outside before we can make it available, and then Article 43 will provide no possible legal basis at all.

**Lange**

I therefore ask the House to consider this matter very carefully once more and to accept the ideas that have prevailed for nearly a decade at least — and to do this with regard to the legal as well as the political aspect of the budget, for externally, in the composition of the budget by headings, food aid is already separated from agricultural policy, and to reject Article 43 ; as a basis instead, we should make Article 235 the sole legal basis in accordance with the proposal of the Committee on Budgets. These two political fields of activity would then be clearly separated and the proper political conditions created for future development.

**President.** — I call Mrs Dunwoody.

**Mrs Dunwoody.** — Mr President, I welcome any report that has the name of Pietro Lezzi on it, because those of us who have had the honour of working with him over the years know him to be fully committed to the very best ideals of socialism, particularly to the need for developed countries to give constant and efficient aid to the underdeveloped Third World.

The difficulty I have in this report is in no way a criticism of its author or even of the intentions behind it. I believe it is important for the European Parliament to have much more efficient and more rapid means of putting its food aid support into operation. I agree wholly with my colleague Mr Lange when he says it is tremendously important that we should not try to tie our food aid in a way which implies that we are only anxious to get rid of our own agricultural surpluses. Indeed, I must say plainly that, after the self-regarding, selfish, paternalistic decisions that were taken in this Chamber yesterday in relation to agricultural policy, it is beholden on this Parliament to take rather more responsible decisions in relation to the ACP and to the Third World than it did when it was discussing agriculture.

I think we in the Community fail disastrously to put over any suggestion to our Third World partners that we are concerned with their interests. We seem far more often to be interested in protecting our own very narrow agricultural base. If I have a worry about this report, it is particularly in the sphere of the lumping together of budgetary titles. I am perfectly happy that food aid should be administered efficiently and on a proper legal basis ; what I do not want to see is the sums of money that we are using for food aid lumped together in such a way that, far from making it clearer what amounts are being spent, we actually may be producing the very opposite effect.

Let me give you a little example : paragraph 16 of the report starts by saying that it is logical that food aid should be reflected in the budgetary sphere. It goes on to say that one portion is a representation of the

refunds on exports, and the other portion is included in Title 9 of the budget, under food aid. It says : 'This artificial breakdown of the appropriations has caused delays and complications in the past'.

Now, that may be marginally true, although I really believe that many of the complications in the administration of food aid arise from the fact that the Member States themselves are not sufficiently concerned with the urgency of providing food aid. I think that in the Community we fall disastrously behind on timing : when food aid is needed, it is needed immediately, and every administrative hold up in the Community is the death of another child or the death of another man or woman desperately in need of food.

But I come back to the statement that we are going to make it clearer after our changes than we have before. The United Kingdom's share of Community expenditure on food aid is directly offset against the total aid voted ; this often decreases more productive forms of aid, so in Britain we do not want to see any change which provides for additional expenditure due to unforeseen rises in world market prices, and then lumps it all together in such a way that there is not as much left for the provision of things like cereals, which are tremendously important to the recipient countries.

So before the Commission gaily does ahead and lumps all the amounts of money together because it thinks that makes it clearer what we are spending, I would ask them whether that really is so, or whether what they are doing is fudging the amount that is paid in refunds and the amount that is actually going to go in food aid. Because that is what it looks like to some of us.

I would further say that I have not — and I hope that I am not being impolite — the same deep faith that this Parliament seems to have in the God-given decisions of the Commission. I believe it is important for the final decision to rest with the Council of Ministers, simply because they reflect the views of their own national parliaments. The Commission in many instances displays all the worst features of a slightly neutered civil service, inasmuch as it is not always able to move with the speed or the efficiency that it should in these matters.

Finally, let me say just one word about what this really means. We are debating this subject as if it only concerned a number of minor administrative changes. It does not. The provision of food aid to people in need is something which is morally right and economically justifiable and essential if we are to have a civilized and peaceful world. As a Parliament, we should concern ourselves far more than we do with the responsibility that we have to every man, woman and child who tonight will go to bed hungry ; that we do

### Dunwoody

not do often enough, or clearly enough, or in strong enough terms. I say to the Commission today : in the next decade you have a very heavy responsibility to bear — I hope that you are capable of carrying it, and carrying it in a more efficient way than it has been carried in the past.

**President.** — I call Mr Dewulf to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Dewulf.** — *(NL)* Mr President, my group has always attached great importance to this debate, so it is a great pity that the matter must be debated by the few Members who attend the Friday sitting and that Mr Cheysson cannot be present. In saying that I mean no offence to Commissioner Brunner. I will simply repeat that we unanimously endorse Mr Lezzi's excellent report. I can agree with everything he has said so far. We must, of course, be very brief, so I shall restrict myself to a few observations of a political nature. We were most surprised that Mr Cheysson, whose political commitment is known to us all, did not manage to go beyond what had already been achieved, and that he was not able to regard this committee simply as an advisory committee whose major objective must be to coordinate and harmonize the various forms of food aid. Of course, the Commission must have the last word and bear the political responsibility for its food aid policy. In our debate last November Mr Cheysson said that he was totally at odds with the Council on this subject and that he hoped he could count on Parliament's support.

But now we must note that although his new proposals are a considerable improvement — and I wish to say that straight away — he did not go as far as he could. Consequently, we must submit Parliament's amendments once again.

May I also expressly point out that the motion for a resolution calls for the initiation of the conciliation procedure. That is our political privilege, and that is why it appears in our motion for a resolution.

We talk increasingly for international agriculture, but so far we have talked too much in terms of food aid and surpluses. The world is going through a crisis and undergoing a radical change. The North-South Dialogue is mainly concerned with industrial competition and the international division of labour. I can appreciate what Mrs Dunwoody and Mr Lange said. But the talks are only just beginning : the international dimension of our agricultural policy as a whole has hitherto remained too much in the background. The international division of labour in agriculture must also be debated.

Agricultural structures throughout the world are inadequate and in the developing countries they are totally inadequate. Some people still believe in the

myth that the Third World has an agricultural vocation and the advanced nations an industrial vocation. That is not true ! We all have a very considerable agricultural vocation and we must make a rapid start on worldwide consultation and introduce a world policy on agriculture and food. Next week the Committee on Agriculture will be giving initial consideration to the subject on the basis of a working document that I shall be submitting. I would invite all the political groups to participate in this debate, and I hope that the Commission and the Council will give appropriate consideration to the matter.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — *(D)* Mr President, after ten years' experience in this field, it is time to make improvements, and we are therefore grateful for the proposals. We are of the opinion that we need a new legal basis ; we need clearer objectives with regard to food aid ; the Commission needs better opportunities to carry out its administrative tasks, and we want to see an improvement in the structure of the food-aid budget.

We can already boast of some progress in this sphere : in 1978 all backlogs in food aid were removed, with the sole exception of the powdered-milk sector. As dispensers of food aid, we cannot be accused of inefficiency ; indeed, our performance can be compared with that of the more efficient Member States. It is also not our intention to allow food aid to be confused with the dumping of agricultural produce as a result of this restructuring of the budget. On the contrary, what we want is a clear separation, clear recognition of the fact that food aid is something special and has nothing to do with getting rid of the Community's agricultural surpluses.

Nevertheless, we cannot subscribe to all of your proposals. With regard to Article 235, we have scarcely any chance, in our view, of confining these committees to a consultative function. It is also impossible to take for granted that the Member States will approve unanimously, as required by Article 235, the arrangement you propose. This we must bear in mind. There is another difficulty with regard to your proposals : it is to be feared that if a definite sum is distributed over a number of years, food aid will be whittled down by inflationary price-trends, and this we want to avoid. In the main, however, we share the views expressed in your opinion.

**President.** — I note that no one else wishes to speak. The motion for a resolution will be put to the vote — together with the amendments which have been moved — at the end of the sitting. The debate is closed.

## 12. Hijacking

**President.** — The next item is the report (Doc. 663/78), drawn up by Mr Fletcher-Cooke, on behalf of the Political Affairs Committee, on hijacking.

I call Mr Fletcher-Cooke.

**Mr Fletcher-Cooke, rapporteur.** — Mr President, the report I have the honour to present to Parliament today, on behalf of the Political Affairs Committee, concerns an acute problem facing our society. On the initiative of the Political Affairs Committee, the European Parliament has discussed terrorism on numerous occasions. In November 1977, I had the honour of being its rapporteur, and we passed a very strong resolution on that occasion.

This report deals with an aspect, and only one aspect, of terrorism, but it is an aspect to which industrialized societies and particularly Europe are especially vulnerable by reason of their technically advanced nature. With the development of air transport and the size of modern aircraft, it puts very many human lives at risk. Between 1969 and 1978 there were 400 attempted hijacks throughout the world, involving 25 000 passengers, and the number is growing. It is one of the most difficult forms of terrorism to counter, because it is frequently more spontaneous than other forms of terrorism and it can be attempted without very much logistic support. Counter-measures are made singularly difficult by the international nature of hijacking and by the political motives claimed for it. Close and constant international cooperation is therefore essential, and unfortunately that implies an almost impossible degree of agreement between States because of their differing views of the causes and motives behind the acts of hijacking.

There has in fact been no lack of international effort at world and regional level. The United Nations has adopted three major conventions against hijacking. Hijacking in its traditional form, of course, is only one stage in the regrettably long history of this kind of piracy. Aircraft are attacked on the ground and in the air from the ground. Murders are committed on board aircraft, and the only limit on the form it can take seems to depend on the ingenuity of the terrorist. These three conventions do indeed enable all, or nearly all, situations which might arise to be resolved in the legal sense. But very few States have ratified these conventions. Even among those who have, we encounter the same difficulties as with those which refuse to sign. These difficulties arise from varying interpretations of terrorist acts, especially where, as usually is the case, they are politically motivated, along with great disagreement on how to stop them.

As an illustration one may give the debates in the General Assembly of the United Nations, where, after much procrastination, in 1972 a special committee on international terrorism was set up which limited, if

you please, the definition to acts of repression and terrorism committed by colonial racists and alien régimes. Nothing else was considered terrorism by that committee. So one can see the enormous difficulties of treating hijacking as it should be treated in the same way as the old crime of piracy on the high seas.

I should like to welcome, however, because Europe is doing much better in this regard than the United Nations, the remarkable European Convention on the suppression of terrorism drawn up by the Council of Europe, based on the sound and, in my view, the only possible principle that certain crimes of a particularly serious nature can never be excused or even described as political, nor should those who commit them escape justice.

An even stronger statement was made by the Bonn Summit, which is the subject of this report by the Political Affairs Committee, and it is an immense step forward. Problems of interpretation are left aside and simple and drastic sanctions are proposed to be applied to actual situations about which there can be no room for doubt.

It is to be noted first of all that the sanctions are directed against countries, against sovereign States. This is especially important as hijacking has only flourished because of the complicity of certain States. The grounds for sanctions are easy to ascertain, as they exist where a country has refused or refuses to extradite or prosecute those who have hijacked an aircraft, or do not return such an aircraft.

I emphasize the word 'or' — extradite *or* prosecute those who have hijacked an aircraft. It would be straining international solidarity too far to expect every hijacker to be extradited. There are occasions, and one can think of them, where it would simply not be acceptable to many Member States to send a man back to certain death and probably torture. But if they refuse to do that, which is the prime responsibility, then they must prosecute him. They must prosecute him in their own country, however much they may sympathize with his motives.

The sanctions, although very serious, are fairly easy to apply, since they amount to no more and no less than an embargo by the signatory States on all air traffic to or from offending countries and on all flights by the airlines of those countries. So, if those countries don't adopt at least the minimum requirement of prosecuting the hijacker and returning the aircraft, then they are, as it were, pariahs in the world of air transport.

This text is therefore much more of a statement, as it involves the adoption of countermeasures automatically triggered by actual circumstances. It also represents an appeal, as it urges countries other than those represented at the Bonn Summit and other than the

## Fletcher-Cooke

Nine represented here. That is why the Political Affairs Committee wishes to draw the attention of the Member States of the Community to the desirability of such action, and why I am convinced that this report will be adopted.

In the report, we press not only for adoption by our own countries but for the inclusion of such clauses in all agreements we make with other countries or groups of countries. There is an amendment by Mr Sieglerschmidt somewhat modifying what I have just said, but it is only a matter of detail and perhaps I might take the opportunity now of saying that I can accept it. Subject to that, I beg to move the report.

**President.** — I call Mr Jahn to speak on behalf of the Christian-Democratic Group (EPP).

**Mr Jahn.** — (*D*) Mr President, on behalf of the Christian-Democratic Group, I wish to congratulate the rapporteur, Mr Fletcher-Cooke, on the document he has presented to us. In the last few months, we have discussed these questions with him and all the arguments advanced in discussion have been put together here in admirable fashion. The discussion in the Political Affairs Committee showed that we were in agreement on all questions of principle, and in view of the deplorable crimes of the last few years we take the view that the European Community must take united action against terrorism as indicated here by Mr Fletcher-Cooke. This includes the whole business of hijacking.

We subscribe to the rapporteur's view that the statement issued by the Heads of State or Government of Canada, the Federal Republic of Germany, France, Italy, Japan, Great Britain and the USA at the Bonn Summit meeting of 16-17 June 1978 must be turned into reality. It was stated that the governments would intensify their joint efforts to combat international terrorism and that whenever a country refused to extradite or prosecute those who had hijacked an aircraft or refused to return such an aircraft, the governments would immediately take steps to stop all flights to the country concerned. At the same time, steps were to be taken to stop all air traffic from that country and all flights by its airlines.

The Christian-Democratic Group calls on the governments, within the framework of political cooperation, to implement this Bonn Convention throughout the Community — for only some Community countries subscribed to it at the time — and to persuade the governments of other countries to subscribe to it. Above all — this, I think, should go without saying in this House — all Member States of the Community should embody this Bonn Convention in their legislation.

Furthermore, we share the rapporteur's view that these phenomena can only be truly combated if and when

provisions on the extradition or prosecution of those guilty of these inhuman acts are incorporated in all agreements concluded by the Community: in the report, we mention the association, cooperation and trade agreements as well as the Lomé Convention. Here too, Mr Fletcher-Cooke, we share your standpoint and that of our colleague Mr Sieglerschmidt, and the Christian-Democratic Group approves of the additional paragraph 4. In our view, we shall make little progress without sanctions against sovereign States.

Finally, I would say that terrorism can only be permanently eliminated by solidarity throughout the civilized world. In the view of our group, implementation of the demands set out in this report is part of the implementation of human rights. We are gratified to find that our discussion in the Political Affairs Committee has led to a united stand in this House. My group supports the motion for a resolution.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (*D*) Mr President, we share your view that hijacking is a particularly contemptible form of human conduct. Here the fact that the community of nations has reached a degree of civilization which prompts it to show concern for human welfare is exploited for the purpose of extorting certain things by means of threats, including crimes against the person. That is repulsive.

The Heads of Government were right in deciding, on 16-17 June in Bonn, to take a stand on this. We share your view that it is time the statement they issued was incorporated in national legislation. No State may under any circumstances, not even passively, be a party to hijacking. Your idea of incorporating provisions to this end in international conventions deserves examination: we have some experience of incorporating in such conventions clauses dealing with human rights, and this subject should be gone into in greater depth. At all events, we welcome the main features of your proposal without reservation.

**President.** — I note that no one else wishes to speak. The motion for a resolution will be put to the vote — together with the amendment which has been moved — at the end of the sitting. The debate is closed.

13. *Human rights in Iran*

**President.** — The next item is the motion for a resolution (Doc. 5/79) tabled by Mr Berkhouwer, on behalf of the Liberal and Democratic Group, Mr Klepsch, on behalf of the Christian-Democratic Group (EPP) and Mr Rippon, on behalf of the European Conservative Group, on human rights in Iran.

I call Mr Bangemann.



**Mr Bangemann.** — (*D*) Mr President, the motion speaks for itself. You are aware that in Iran, since the political events of the last few weeks, increasing numbers of people have been condemned to death by special tribunals of the most varied kind and that these sentences are being carried out with increasing frequency. Of course, one cannot make a whole country and not even the Iranian Government fully responsible for such actions: the Iranian Government itself has recently declared that it has no means of preventing all these sentences. Nevertheless, this Parliament must draw the attention of public opinion to this development. Whoever launches and continues a revolution with the explicit promise that it will lead to greater justice and more humane conditions must be prepared to be judged by the events immediately following upon the transfer of power. Courts that meet behind closed doors, judge without reference to the existing law and mete out death penalties which are then immediately carried out are so obvious in their violation of all human rights that my own group, the Christian Democratic Group and the European Conservative Group have found it necessary to draw attention to this situation with this urgent motion for a resolution.

**President.** — I call Mrs Dunwoody to speak on behalf of the Socialist Group.

**Mrs Dunwoody.** — Mr President, the Socialist Group in this Parliament has a very good record of protesting strongly against violations of human rights in Iran. Both in the report of Jean-Pierre Cot and of other Members, we have made it very clear that we will not under any circumstances tolerate the violation of the fundamental rights of any human being.

I must say frankly that we are appalled at the situation that has arisen in Iran, particularly in relation to the situation of Iranian women. Those narrow-minded bigots who seek to drag their own women back into 12th-century darkness do nothing in any way to encourage anyone to believe that they are seeking to improve the situation of their own people. The women of the Socialist movement throughout Western Europe are so deeply disturbed, feeling as they do a very strong solidarity with the women of Iran, that they are seeking throughout the Nine to organize public opinion in such a way that there will be a series of demonstrations and protests at Iranian embassies.

It is all very well for the Iranian Government to pretend that they cannot control what is happening. Day after day, the television shows processions of women with very specific efforts being made to intimidate them because they are protesting against an attempt to force them back into medieval habits. It is quite intolerable that in the 20th century any state should pretend that it has the right to push one half

of its population back down the road in the name of a revolution. What kind of a revolution is it that deprives women of their fundamental rights? What kind of a revolution is it that pretends in the name of religious fervour to make it impossible for the women of Iran to fulfil their natural role, and seeks always to deprive them of the rights they have won in such harsh circumstances in the intervening period?

We in the Socialist Group will protest vehemently whilst we see this constant harassing of the women of Iran. We are at one with them in their efforts to protect themselves against the ignorance and bigotry of the men who profess to be their leaders at the present time. Any member of any European legislature who does not speak out now and condemn the ignorance of such a move is to me failing in his duties, not only to democracy but to the basic rights of men and women wherever they are.

Mr President, if there is one thing that we can do in the European Parliament, it is to make our voices heard loudly in condemning violations of the sort that are taking place in Iran today. It is intolerable, it is unacceptable, it is indefensible; and the European Parliament should say plainly that in no way will we regard it as civilized behaviour.

**President.** — I call Mr Jahn to speak on behalf of the Christian Democratic Group (EPP).

**Mr Jahn.** — (*D*) Mr President, ladies and gentlemen, in this House we have already raised our voice in warning against violations of human rights everywhere in the world and particularly in Iran during the course of the revolution. Today we do this with the same sense of responsibility, with the same earnestness. We are deeply concerned about the general situation in Iran and hope that these conflicts will end in the emergence of a working régime based on democratic principles.

I entirely support what my colleague Mr Bangemann and also Mrs Dunwoody have said about violations of the fundamental rights of women in Iran. When we hear this morning that, in the name of Allah and the Revolution — to quote the words of a leading newspaper — enemies of the Iranian people are hunted down, so-called 'revolutionary justice' is meted out in secret trials behind the walls of the Islamic Committee of the Shiite leader, Ayatollah Khomeini, and that liquidations follow in the night or early morning in the cellars of this Committee, which until only recently was supposed to be Khomeini's headquarters, or in the girls' school nearby, then we are obliged to say that the states of the world are called upon not only to issue solemn statements but also to exercise immediate influence on Teheran. After a month of revolutionary justice, the number of victims is somewhere between 50 and 69, and the end is not in sight. Not only generals and members of the secret

## Jahn

police but also former directors of the Iranian news agency and journalists of every political colour who in other circumstances have expressed different views are being executed, after a rapid trial, as enemies of the people. The number of political prisoners in the Teheran prison has already risen once more to 4 000, of whom 200, according to the latest reports, have already been sentenced to death. The hitherto most prominent prisoner before the Revolutionary Committee is the Shah's former Prime Minister, Amir Abbas Hoveida, who has been tried by a secret court presided over, not by lawyers, but by mullahs. During the last few hours, statesmen from all over the world have been protesting against Hoveida's death sentence — even Khomeini's famous Prime Minister, Bazargan, now for the first time. Khomeini, however, says that Bazargan is undermining his and his ministers' authority with contradictions and appeals to the people and that the revolutionary liquidation squads are taking the law into their own hands.

May I say the following in conclusion? The European Community cannot remain silent when fundamental human rights are being violated in Iran. Executions after a rapid trial, carried out for only too transparent political motives, can only be described as arbitrary conduct in violation of the Declaration of Human Rights, which Iran has subscribed to in more than one convention. We share the view of the International Commission of Jurists that the Community, together with the other civilized states of the world, must take action in Teheran and make it clear to the government and the authorities that all those charged are entitled to a correct trial. The question must also be clarified as to what an Islamic court is, how it is composed and whether it amounts to anything more than liquidation squads acting in the name of Allah and Mr Khomeini. It should also be made clear what laws they base their jurisdiction on and where the kind of law they are practising is to be found in the Koran.

We have just heard that Mr Waldheim, Secretary-General of the United Nations, has protested on the UN's behalf against the arbitrary rapid trials and executions. With our motion for a resolution, we therefore find ourselves in the company of the United Nations, the world organization for peace, and all we can say is that we should not only adopt this motion for a resolution but also call on our Foreign Ministers to take action in Iran on the Community's behalf together with other friendly governments.

**President.** — I call Mr Fletcher-Cooke to speak on behalf of the European Conservative Group.

**Mr Fletcher-Cooke.** — Mr President, the amazing thing about this dreadful régime is that it is quite out of control. During the last few weeks the Prime Minister of Iran has said that his government does not

know what justice is being meted out in the courts, and although at least 58 people have been executed, we are told that these executions took place even though the Ayatollah Khomeini had declared a general amnesty for the remaining supporters of the Shah's regime.

Mr President, ladies and gentlemen, we are not seeking, and this must be said, to impose a Christian ethic on Iran. We are merely seeking that the lowest common denominator of civilization should be observed. And we must hope that the Ayatollah Khomeini and his government, which he appointed and for whose followers he is responsible, will make good the damage which is being done to the reputation of Iran and to the Islamic faith throughout the world.

**President.** — I call Mr Brunner.

**Mr Brunner, Member of the Commission.** — (D) Mr President, there is nothing to add to what has already been said. We fully share the views that have here been expressed. Things have taken a very bad turn when a movement that has taken action in the name of human rights violates these rights on a massive scale. The European Community cannot accept this; it must make itself heard.

**President.** — It notes that no one else wishes to speak. The motion for a resolution will be put to the vote — as it stands — at the end of the sitting.

The debate is closed.

#### 14. *International Convention for Safe Containers (CSC)*

**President.** — The next item is the report (Doc. 640/78) without debate, drawn up by Mr Albers, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the

draft recommendation from the Commission to the Council on the ratification of the International Convention for Safe Containers (CSC).

I note that no one wishes to speak. The motion for a resolution will be put to the vote — as it stands — at the end of the sitting.

#### 15. *Votes*

**President.** — The next item is votes on motions for resolutions on which the debate has closed.

I call Mrs Dunwoody on a procedural motion.

**Mrs Dunwoody.** — I am perfectly aware, Sir, that you are quite within the Rules of Procedure, but does it not seem mildly absurd that we should have votes with maybe half-a-dozen Members of Parliament present? And could we not at some point in the future draw it to the attention of the Members that if,

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in fact, we are to have these sort of votes they should be taken at a time when the majority of people can be here?

Further, on a completely different point of order, Sir, in relation to the safety of the Chamber, I have deliberately left it to the end of the week before pointing out that there has grown up a habit during the week of blocking the exits to this Chamber in such a way that the doors are not capable of being opened. Frankly, I must tell you that in any public building where there are any fire regulations whatsoever that would be regarded as wholly unacceptable. May I ask you to draw it to the attention of those that are responsible for the administration of this building that, whatever the administrative convenience, it is an exceedingly dangerous thing to do to block the exits from the Chamber? Whilst I realize many of our constituents might feel that the Members of the European Parliament are expendable, it would be wise not to make it too obvious.

**President.** — In reply to your first question, Mrs Dunwoody, I can only say that I am simply carrying out the Bureau's decision.

I shall refer your second point to the College of Quaestors, which is responsible in such matters.

We shall now consider the motion for a resolution contained in the *Bangemann report (Doc. 672/78)*:

*Budgetary guidelines for the 1980 financial year.*

I put the preamble to the vote.

The preamble is adopted.

After the preamble, I have Amendment No 3, by Lord Bruce of Donington, on behalf of the Socialist Group:

Insert the following new paragraphs before paragraph 1:

- (a) Reaffirms its belief that the Community budget must be substantially restructured in order to play an effective role in the fight against unemployment and regional inequality;
- (b) Reaffirms that the Community must play a more substantial role in contributing towards economic development within the Community and the developing countries and that the Community budget should reflect this responsibility;
- (c) Emphasizes that the expansion of the Community budget must take place in a way which responds to the real priorities of the current economic situation and does not involve wasteful duplication of national efforts;
- (d) Considers unacceptable the present situation whereby nearly three-quarters of the Community budget is pre-empted by the common agricultural policy;
- (e) Calls for the establishment of better links between budgetary and agricultural policy with proper parliamentary control.

What is Mr Bangemann's opinion?

**Mr Bangemann, rapporteur.** — (D) Mr President, everything contained in this amendment we have

already stated a little further on, but in order to simplify things I would ask for it to be accepted. It can be stated at the beginning too; there is nothing necessarily wrong with saying something twice.

**President.** — I put the amendment to the vote.

Amendment No 3 is adopted.

I put paragraphs 1 to 6 (a) to the vote.

Paragraphs 1 to 6 (a) are adopted.

On paragraph 6 (b), I have Amendment No 4/rev., by Lord Bruce of Donington, on behalf of the Socialist Group, calling for this subparagraph to be deleted.

What is Mr Bangemann's opinion?

**Mr Bangemann, rapporteur.** — (D) Mr President, this I cannot support, since it is completely illogical. If one wishes to stress, as the Socialist Group has done in these first few paragraphs which we have just accepted, that the budget must play a more important role, then one cannot try to strike out the corresponding revenues on the other side. That is being completely incoherent. The revenues include, for example, the loans that we all want to contract and budgetize. I therefore recommend that this amendment be rejected.

**President.** — I put the amendment to the vote.

Amendment No 4/rev. is rejected.

I put paragraph 6 (b) to the vote.

Paragraph 6 (b) is adopted.

I put paragraphs 7 to 10 and the introductory phrase in paragraph 11 to the vote.

These items are adopted.

On paragraph 11(a) I have Amendment No 1, by Mr Albers, on behalf of the Socialist Group:

Insert the words: 'at full pay' after the word 'readaptation'.

What is Mr Bangemann's opinion?

**Mr Bangemann, rapporteur.** — (D) Mr President, if you permit, I will deal with Mr Albers's next amendment, that relating to paragraph 11 (c), at the same time. I need then stand up only once and, apart from that, it gives me the opportunity of rejecting the one and recommending the other and so striking a balance.

I would ask that paragraph 11(a) be left as it is, since readaptation measures can cover all possible measures while Mr Albers is here proposing one specific measure taken at random. On the other hand, we should make a special mention of the mass dismissals in paragraph 11(c), because that is the real problem

**Bangemann**

behind the restructuring. I would therefore ask that Amendment No 1 be rejected and Amendment No 2 accepted.

**President.** — I call Mr Albers.

**Mr Albers** — (NL) Mr President, I should like to thank the rapporteur for his statement. In view of his explanation I beg to withdraw my amendment on 'readaptation at full pay'.

**President.** — I note that Amendment No 1 has been withdrawn.

I put paragraph 11 (a) and (b) to the vote.

These items are adopted.

On paragraph 11(c), I have Amendment No 2 by Mr Albers, on behalf of the Socialist Group :

Add the following after the words 'restructuring of sectors suffering a crisis' :

'... particularly in connection with measures to prevent mass dismissals'.

I put the amendment to the vote.

Amendment No 2 is adopted.

I put paragraph 11(c), as amended, to the vote.

Paragraph 11(c), as amended, is adopted.

I put to the vote paragraph 11 (d) to (f) and paragraphs 12 to 15.

These items are adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.

**President.** — I put to the vote the *motion for a resolution (Doc. 682/78) tabled by the Committee on Budgets: Application of Article 203 of the EEC Treaty.*

The resolution is adopted.

**President.** — We shall now consider the *Noè report (Doc. 581/78): Research and training programme in the field of controlled thermonuclear fusion.*

We shall begin with the amendments to the proposals for a decision.

On Article 1, I have Amendment No 4, by Lord Bessborough, on behalf of the Committee on Budgets :

Article 1 to read as follows :

A research and training programme in the field of controlled thermonuclear fusion as defined in the Annex is hereby adopted for *the period ending on 31 December 1983.*

The opinion of the rapporteur is favourable.

I put the amendment to the vote.

Amendment No 4 is adopted.

On Article 2, I have Amendment No 5, by Lord Bessborough, on behalf of the Committee on Budgets :

Article 2 to read as follows :

The global needs for the entire duration of the programme without JET are estimated at 220m ECU and 113 Community employees.

The global needs for the construction phase of JET during the duration of the programme are estimated at 145 ECU and 150 temporary staff within the meaning of Article 2 (a) of the conditions of employment of other servants of the European Communities.

These figures are *of an indicative nature* only.

(Last paragraph unchanged).

Annex to proposal for a decision to be amended accordingly.

The opinion of the rapporteur is favourable.

I put the amendment to the vote.

Amendment No 5 is adopted.

On Article 3, I have Amendment No 6, by Lord Bessborough, on behalf of the Committee on Budgets :

Article 3 to read as follows :

The Commission shall submit to *the European Parliament and the Council, not later than 1 July 1981*, a review proposal designed to replace the present programme by a new five-year programme with effect from 1 January 1982.

The opinion of the rapporteur is favourable.

I put the amendment to the vote.

Amendment No 6 is adopted.

On Article 4, I have Amendment No 7, by Lord Bessborough, on behalf of the Committee on Budgets :

Article 4 to read as follows :

Decisions 76/345/Euratom and 78/470/Euratom are repealed. This decision shall enter into force *immediately.*

The opinion of the rapporteur is favourable.

I put the amendment to the vote.

Amendment No 7 is adopted.

We shall now consider the motion for a resolution.

I put the preamble and paragraphs 1 to 3 to the vote.

The preamble and paragraphs 1 to 3 are adopted.

On paragraph 4, I have Amendment No 2, by Lord Bessborough, on behalf of the Committee on Budgets :

This paragraph to read as follows :

4. Notes with satisfaction that the general programme proposed by the Commission is being coordinated with the JET project, to which very high priority is being given, and is oriented towards *preparing for the next stage* ;

The opinion of the rapporteur is favourable.

I put the amendment to the vote.

Amendment No 2 is adopted.

I put paragraphs 5 and 6 to the vote.

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Paragraphs 5 and 6 are adopted.

On paragraph 7, I have Amendment No 1, by Mr Noè :

This paragraph to read as follows :

7. Welcomes the setting up of a more substantial fusion technology programme in the five sectors proposed: superconducting coils, tritium, materials, environmental impact and reactor design, *in which sectors the JCR intends to make a greater contribution; approves, with respect to reactor design, the continuation of studies into the possible applications of fusion not directly connected with generating electricity (hybrid fusion-fission reactors)*

The opinion of the rapporteur is favourable,

I put the amendment to the vote.

Amendment No 1 is adopted.

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

On paragraph 9, I have Amendment No 8, by Mr Osborn, on behalf of the European Conservative Group :

This paragraph to read as follows :

9. Urges that the Commission should, though a substantial programme, ensure success in this field.

The opinion of the rapporteur is favourable.

I put the amendment to the vote.

Amendment No 8 is rejected.

I put paragraph 9 to the vote.

Paragraph 9 is adopted.

I put to the vote the introductory phrase of paragraph 10.

This item is adopted.

On the first indent of paragraph 10, I have Amendment No 9, by Mr Osborn, on behalf of the European Conservative Group :

The first indent of this paragraph to read as follows :

- Welcomes the fact that two European non-Member States have associated themselves with the *Communities' fusion research programme* and that various international initiatives within the framework of the IEA and the IAEA are underway.

The opinion of the rapporteur is unfavourable.

I put the amendment to the vote.

Amendment No 9 is rejected.

I put the first indent of paragraph 10 to the vote.

The first indent of paragraph 10 is adopted.

I put the second indent of paragraph 10 to the vote.

The second indent of paragraph 10 is adopted.

On paragraph 11, I have Amendment No 10, by Mr Osborn, on behalf of the European Conservative Group :

This paragraph to read as follows :

11. Considers the delays in taking decisions on the JET project to have been irresponsible and requests that

there should be no further delay in the implementation of the proposed general programme on which the success of JET depends.

The opinion of the rapporteur is unfavourable.

I put the amendment to the vote.

Amendment No 10 is rejected.

I put paragraph 11 to the vote.

Paragraph 11 is adopted.

After paragraph 11, I have Amendment No 3, by Lord Bessborough, on behalf of the Committee on Budgets :

Add the following new paragraph :

- 11a. Urges the Council to approve the Commission's proposal forthwith, subject to the Commission's adopting the following amendments pursuant to Article 149, second paragraph, of the EEC Treaty.

The opinion of the rapporteur is favourable.

I put the amendment to the vote.

Amendment No 3 is adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.

**President.** — I put to the vote the motion for a resolution contained in the *Lamberts report (Doc. 671/78): Directives on the indication of energy consumption of domestic appliances*. The resolution is adopted.

**President.** — We shall now consider the *Lexzi report (Doc. 669/78): Regulations on food aid*.

We shall begin with the amendments to the proposals for regulations.

On proposal for regulation I, I have Amendment No 1, by Mr Scott-Hopkins, on behalf of the Committee on Budgets :

First recital to read as follows :

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof.

The opinion of the rapporteur is favourable.

I put the amendment to the vote.

Amendment No 1 is adopted.

On the eighth recital of the preamble, I have Amendment No 2 by Mr Scott-Hopkins, on behalf of the Committee on Budgets :

This recital to read as follows :

Whereas, in order to facilitate the application of certain of the measures envisaged, provision should be made for close cooperation between the Member States and the Commission within an advisory committee on food aid.

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After the tenth recital of the preamble, I have Amendment No 3, by Mr Scott-Hopkins, on behalf of the Committee on Budgets :

Add the following new recital :

Whereas the Treaty does not provide for the powers of action required for this purpose.

On the third indent of Article 4, I have Amendment No 4, by Mr Scott-Hopkins, on behalf of the Committee on Budgets :

Third indent of Article 4 to read as follows :

- decide, *in the light of the budgetary decisions taken pursuant to Article 5, on the distribution of cereal aid between Community and national operations.*

On the fourth indent of Article 4, I have Amendment No 5, by Mr Scott-Hopkins, on behalf of the Committee on Budgets :

Fourth indent of article 4 to read as follows :

- apportion, *in the light of budgetary decisions, the cereals aid provided for under the Food Aid Convention as between Community and national operations and fix, in the light of budgetary decisions, the total amount of Community cereals aid not covered by the Convention.*

After Article 4, I have Amendment No 6, by Mr Scott-Hopkins, on behalf of the Committee on Budgets :

Insert the following new article :

- 4a *The budget shall lay down the total annual or multi-annual quantities of the products defined by the Council pursuant to Article 4, first indent.*

On the first subparagraph of Article 5, I have Amendment No 7, by Mr Scott-Hopkins, on behalf of the Committee on Budgets :

The first subparagraph of Article 5 to read as follows :

*The Commission, with reference to the decisions and general guidelines of the Council, following consultations with the Committee foreseen in Article 7, shall take decisions on :*

Also on Article 5, I have Amendment No 8, by Mr Scott-Hopkins, on behalf of the Committee on Budgets :

Add the following :

- *emergency action for countries facing serious difficulties as a result of natural disasters or comparable abnormal circumstances ;*
- *the conditions governing the supply of aid and, in particular, on the general conditions applicable to recipients.*

*For the purposes of the fifth indent, 'emergency' shall mean an unforeseeable situation in which famine or a danger of famine poses a serious threat to the lives and health of the population. The volume of aid which it shall be decided to supply in each particular case shall be limited to the quantities that the people*

*affected require in order to cope with the situation for a period not exceeding three months.*

On Article 6, I have Amendment No 9, by Mr Scott-Hopkins, calling for this Article to be deleted.

On Article 11, I have Amendment No 10, by Mr Scott-Hopkins, on behalf of the Committee on Budgets :

This Article to read as follows :

The European Parliament shall be informed of the management of food aid by the communication of the decisions referred to in *Article 6* immediately upon their adoption and by the annual presentation of progress reports on the implementation of the various operations for the relevant financial years. The decisions referred to in *Article 6* and the reports mentioned above shall be communicated to the Council at the same time.

Since the rapporteur has given a favourable opinion on all these amendments, I propose that they be put to the vote as a whole.

Are there any objections ?

That is agreed.

I put Amendments Nos 2 to 10 to the vote.

Amendments Nos 2 to 10 are adopted.

On proposal for a regulation II, I have Amendment No 11, by Mr Scott-Hopkins, on behalf of the Committee on Budgets :

First recital of the preamble to read as follows :

- Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof ;

The opinion of the rapporteur is unfavourable.

I put the amendment to the vote.

Amendment No 1 is rejected.

We shall now consider the motion for a resolution.

I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.**

— (D) Mr President I ask for a separate vote on paragraph 6 of the motion for a resolution. Apart from this, since Article 43 has been retained with regard to the second regulation, I personally find myself, in view of the explanation I gave before, unable to vote for this motion for a resolution taken as a whole, since Article 43, which continues to have the effect of establishing an immediate connection between food aid and the common agricultural policy and to a certain extent even makes the CAP the legal basis of food aid, is in my view the wrong legal basis. This is unacceptable in view of the stand taken up by the Committee on Budgets, which I personally have championed throughout the years with regard to development aid, food aid and agricultural policy. I ask that official note be taken of this.

**President.** — I put the preamble and paragraphs 1 to 5 to the vote.

The preamble and paragraphs 1 to 5 are adopted.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

I put paragraphs 7 to 14 to the vote.

Paragraphs 7 to 14 are adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.

**President.** — We shall now consider the motion for a resolution contained in the *Fletcher-Cooke report (Doc. 663/78): Hijacking*.

I put the preamble and paragraphs 1 to 3 to the vote.

The preamble and paragraphs 1 to 3 are adopted.

On paragraph 4, I have Amendment No 1, by Mr Sieglerschmidt:

This paragraph to read as follows:

4. Believes that in order to combat hijacking more effectively, immediate provision should be made, when concluding Community association, cooperation and trade agreements and renegotiating the Lomé Convention, for the extradition or punishment of those responsible for such acts.

The opinion of the rapporteur is favourable.

I put the amendment to the vote.

Amendment No 1 is adopted.

I put paragraphs 5 and 6 to the vote.

Paragraphs 5 and 6 are adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.

**President.** — I put to the vote the *motion for a resolution (Doc. 5/79) tabled by Mr Berkhouwer and others: Human rights in Iran*.

The resolution is adopted.

**President.** — I put to the vote the motion for a resolution contained in the *Albers report (Doc. 640/78): International Convention for Safe Containers (CSC)*.  
The resolution is adopted.

#### 16. Dates of next part-session

**President.** — There are no further items on the agenda. I thank the representatives of the Council and the Commission for their contributions to our proceedings.

The enlarged Bureau has proposed that Parliament should hold its next sittings from 23 to 27 April 1979 in Strasbourg.

Are there any objections?

That is agreed.

#### 17. Approval of the minutes

**President.** — Pursuant to Rule 17 (2) of the Rules of Procedure, I am required to submit to Parliament, for its approval, the minutes of proceedings of today's sitting, which were compiled during the debates.

Are there any comments?

The minutes of proceedings are approved.

#### 18. Adjournment of the session

**President.** — I declare the session of the European Parliament adjourned.

The sitting is closed.

*(The sitting was closed at 1.30 p.m.)*

